

LONDON BOROUGH OF HAMMERSMITH AND FULHAM

Report to: Councillor Andrew Jones, Cabinet Member for the Economy
(Cabinet Member's Decision)

Date: 07/06/2024

Subject: Decision to award a contract for the construction of the
Lillie Road development

Report author: Will Noton, Senior Development Manager

Responsible Director: Bram Kainth, Strategic Director of Environment

SUMMARY

This report seeks approval for the appointment of Glenman Corporation Limited as principal contractor to design and build 42 new homes (of which 50% are affordable) and a brand new replacement TRA Hall on the site known as 70 – 80 Lillie Road (which includes the West Kensington Tenants & Residents (TRA) Hall and a disused former Nursery).

Cabinet approved both the procurement strategy relating to this tender process, and capital budget (inc contingency) of £25,318,839 for construction on 15th May 2023 and Q2 Capital Monitoring FY 2023/24.

RECOMMENDATIONS

This report recommends that the Cabinet Member for the Economy:

1. Notes that appendices 1, 2, 3, 4 and 5 are exempt from disclosure on the grounds that they contain information relating to the financial or business affairs of a particular person (including the authority holding that information) under Paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
 2. Approves the award of a contract of £19,199,623 to Glenman Corporation Limited (IE210198) for the design and construction of the 42 new homes and new replacement TRA Hall at the 70 – 80 Lillie Road development through to completion, following Cabinet's approval of both the procurement strategy and capital budget report and associated approval of recommendations therein, in May 2023.
 3. Approves the contingency budget set out in exempt appendix 3 for this contract.
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Wards Affected: West Kensington

LONDON BOROUGH OF HAMMERSMITH AND FULHAM

Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	The scheme will deliver 21 affordable homes (50% of the total scheme) and a new replacement TRA Hall. Providing affordable homes is a vital element of sharing economic growth across the borough, and supports the Council's Building Homes and Communities (Growth) Strategy approved by Cabinet in June 2019.
Doing things with residents, not to them	The scheme has undergone extensive co-production and has progressed in line with the principles set out within the council's Defend Council Homes Policy. This decision to appoint a construction contractor has followed significant resident involvement within the procurement process in line with the council's value of: 'doing things with residents, not to them'.
Taking pride in H&F	The design of the development, the new replacement TRA Hall and the high proportion of affordable housing will create a positive lasting impact in the local area. The ability of contractors to limit noise, dust and vibration on the site and manage the concerns of local residents has formed part of the tender assessment process.
Being ruthlessly financially efficient	The procurement process for the principal construction contractor has been carried out competitively in order to ensure the most economically advantageous tender and best value for money, as set out in the Procurement Strategy approved by Cabinet in May 2023, and in line with the council's value of being ruthlessly financially efficient.
Rising to the challenge of the climate and ecological emergency	The Development will deliver highly sustainable homes that achieve high levels of energy efficiency and are fossil-fuel free, and so help create and sustain a low carbon community. The brief to the construction contractor has been to meet the targets set out in the emerging Climate Strategy with the aim to achieve a significant reduction in operational carbon usage, thereby reducing the fuel bills of future

LONDON BOROUGH OF HAMMERSMITH AND FULHAM

residents.

Financial Impact

Funding for the recommended contract award of £19,199,623 has been approved in the May 2023 cabinet report “Lillie Road – New Council Development”. Following the procurement process, the cost of the contract award is expected to be lower than previous estimate including contingency.

The funding source for the contractor will be a mix of:

- Greater London Authority (GLA) Right To Buy 1-4-1 receipts
- GLA Good Growth Fund
- General capital receipts and
- Borrowing

The current project financial appraisal shows a positive net present value which indicates that the overall project is financially viable. The project financial appraisal approved in May 2023 considers current and future economic conditions and risks.

The contractor recommended for appointment has been subject to an assessment of their financial stability.

- A CreditSafe score of 91 (deemed very low risk)
- The recommended Creditsafe annual contract limit for the company is €8,750,000 (2 years as €17,500,000) which is lower than the value of the proposed contract award (£19,199,623) posing a risk.

Overall, there is risk awarding the contract to Glenman Corporation Limited (IE210198) due to the annual contract recommendation; however, upon doing further financial checks the supplier meets the council's financial reliability.

Harun Guleid, Principal Accountant (Development), 20/05/2024

Verified by James Newman, AD Finance, 29/5/2024

Legal Implications

The contract value is above EU thresholds and so Public Contracts Regulations 2015 apply. The contract was awarded following a restricted Procurement Process which is compliant with the Regulations and also the competition requirements of the Council's Contract Standing Orders as it is a High Value Contract.

As the contract has a value of over £300,000, the decision to award the contract is a Key Decision under Article 12 of the Constitution. This report must be submitted to Committee Services for publication on the Council's website.

The contract must be sealed by Legal Services as it has a value of over £100,000.

LONDON BOROUGH OF HAMMERSMITH AND FULHAM

The appropriate decision maker for the recommendation overall is the Cabinet Member.

Joginder Bola, Senior Solicitor (Contracts & Procurement), 20/05/2024

Background papers used in preparing this report:

Lillie Road – New Council Development– considered at Cabinet 15/05/23 (approval of the procurement strategy and capital budget for the main contractor).

DETAILED ANALYSIS

This section of the report details key background information relating to the site and this decision relating to the award of a construction contract.

Background

1. The council's approach to economic growth is guided by its ambitious Industrial Strategy. Economic growth in Hammersmith and Fulham is rooted in imaginative placemaking that creates vibrant, sustainable public spaces and strategic housing development that allows communities to maintain and grow their diversity, cohesion, and ambition. Only by having inviting, liveable places and housing that is accessible to all can the borough realise its ambition of fostering inclusive economic growth.
2. Recognising that the council is well-placed to make a significant direct contribution towards the delivery of high-quality housing, it established the Building Homes and Communities Strategy in 2019. Its overarching aim is to foster diverse, collaborative communities through the provision of a range of affordable housing options, targeted at lower-income households and intermediate options for key-workers. It also provides important community infrastructure such as schools and community halls, promoting opportunity and cohesion.
3. More recently, the council pledged to secure up to 3,000 new affordable homes over the next four years through a range of avenues including the development programme, partnership initiatives and the planning pipeline. The council is committed to defining creative approaches to tackling the housing crisis and exploring the role of intermediate housing options in retaining and attracting workers needed to grow the borough's most exciting growth sectors, and deliver the borough's most important public services.
4. This report concerns the development of 42 new homes and a new replacement TRA Hall on the land at 70 – 80 Lillie Road, currently home to a nursery which has been vacant for a number of years, along with the West Kensington Tenants & Residents Hall, which closed in 2020 due to the Covid Pandemic. The development is an important element of fulfilling the council's

LONDON BOROUGH OF HAMMERSMITH AND FULHAM

commitment to building new, affordable homes, as set out in the 2019 Building Homes and Communities (Growth) Strategy. As such, 21 (50%) of the 42 homes that the Development will provide are affordable.

5. The Lillie Road site is home to a nursery which has been vacant for a number of years, along with the West Kensington Tenants & Residents Hall, which closed in 2020 due to the Covid Pandemic. In consultation with Asset Management colleagues, the site was identified for redevelopment for the provision of much needed affordable homes in the borough, along with a new replacement TRA Hall.
6. In November 2020, Cabinet approved a General Fund capital budget of £1,802,000 to facilitate the progression of development activities associated with the redevelopment of the Site up to and including planning and procurement (RIBA Stages: 1, 2, 3, 3+ & 4).
7. In September 2021, the council appointed Lifschutz Davidson Sandilands (LDS), to act as lead Architect and 'Design Team', while Arcadis were appointed as the 'Control Team' for the scheme, to oversee project management, cost advice and CDM services.
8. The scheme has a Budget including contingencies, of £25,318,839 of which £1,802,000 had already been approved prior to May 2023 Cabinet to deliver the proposed new homes to be funded through a combination of HRA borrowing, Right to Buy receipts and capital receipts from private sales.
9. On 17th October 2023 the Site obtained a full planning consent (Ref: 2023/00087/FR3).

Resident Engagement

10. The engagement process began in November 2021 with an initial invitation to Estate residents to join a Residents Advisory Panel for the project. This is the adopted model of engagement under the council's Defend Council Homes Policy. Residents Advisory Panels provide the opportunity for regular interaction between the project team and Estate residents as project designs are developed, for residents to be involved in appointing services, shaping consultation as well as influencing design. The Council also consulted and engaged residents in the wider neighbourhood in line with the Council's value of "*doing things with local residents, not to them*".
11. The council held three public exhibitions between June and November 2022. Engagement and co-production with local residents have had a direct and material effect on the evolution of the design from a concept design to the planning submission in January 2023. Over the course of the entire consultation period, 85% of local residents supported the redevelopment of the site, with 100% of respondents supporting the final designs in November 2022.
12. Some notable changes in the design as a direct result of residents' views include:

LONDON BOROUGH OF HAMMERSMITH AND FULHAM

- Height of the proposed building is reduced at either end where closest to neighbouring properties
 - Locating the new Hall so that the external space ties directly in with the public access to the site from both Lerry Close and Lillie Road
 - Ensuring that the scheme is as sustainable as possible
 - Maximising the provision of new trees and planting in the scheme
 - Adding in additional security measures and controlled lighting to the boundary areas to ensure security for both the new homes and existing neighbours.
13. Temporary community gardens were located on part of the site. Representatives of the community gardens have worked with the council to identify a suitable alternative location and replacement community garden space has been provided within the West Kensington Estate. Tenants were given 30 day notices to quit on the Lillie Road community gardens on 26th April 2024 and the new licences for the new community gardens to commence from 13th May 2024.
14. The TRA Hall was most recently used as a polling station on 2nd May 2024, and thereafter due to be cleared of any remaining items before handover of the closed facility on 22nd May in time to handover to the contractor.

Details of the proposed scheme

This report seeks approval of the decision to award a contract for the construction of the Development that was recommended for approval by the Planning and Development Control Committee on 6th June 2023, with full planning consent being granted on 17th October 2023 (Ref: 2023/00087/FR3).

15. The Development will provide 42 new homes of which 21 (50%) will be affordable. The breakdown of tenures is as follows:

Tenure	Number of Homes
Affordable homes:	
Social Rent	12 (29%)
Shared Ownership	9 (21%)
Affordable sub-total:	21 (50%)
Private homes:	
Market (leasehold) Sale	21 (50%)
Total:	21 (50%)

16. The delivery of these 21 new affordable homes would equate to 50% affordable housing provision in this Development. The delivery of 21 private homes is in line with the 'Building Homes and Communities Strategy' principle to a self-financed affordable development. The Development is also partly financed by Right to Buy receipts.

LONDON BOROUGH OF HAMMERSMITH AND FULHAM

17. Four associated accessible parking spaces will be provided within the development, each with an electric car charging point.
18. The scheme is in line with the Local Plan policy that 50% of homes should be affordable and the GLA's Affordable Housing requirements investment partner agreement, and makes a significant contribution to the borough's commitment to maximise the building of affordable homes.

Improved Community Facilities

19. The Development will include a new replacement Tenants and Residents Association Hall for the West Kensington Estate, providing both internal and outdoor space for a range of flexible community uses.
20. One associated accessible parking space will be provided for use in conjunction with the T & RA Hall, with an electric car charging point.

Financial Considerations

21. As part of the development process, professional advice has been regularly commissioned to monitor the financial performance of the scheme and to mitigate LBHF's exposure to financial risk. Such advice has informed the last estimated build costs and sales values used in the viability, along with a reconciliation of associated development on-costs. These reflect latest inflation figures and respond to market analysis, trends and forecasts, and meets LBHF's approved financial performance hurdles.
22. This is backed up by Glenman Corporation Limited's lump-sum bid at £19,199,623, which is within the Cabinet approved construction cost budget totalling £20,106,653 (i.e. £18,386,776 plus contingency £1,719,877).
23. Right to Buy (RtB) receipts post 2017/18 totalling £4,559,715 have been allocated as capital subsidy to support the funding requirements of this scheme.
24. The viability of the scheme is also reliant on the net sales income of both the private (leasehold) homes and a proportion of the shared ownership sales. The net balance (debt) of the scheme's overall costs will therefore be funded within LBHF's HRA financial plan and associated loan arrangement which indicates will be paid back over an acceptable term along with peak debt ensuring the development makes a positive contribution to the HRA financial plan.

Sustainability

25. The development will be designed and constructed to meet the National, Local and Regional Planning Policies. Through the application of the energy hierarchy, the following energy saving measures have been applied:
 - 'Be Lean' – Enhanced building fabric specification and Mechanical Ventilation with Heat Recovery (MVHR) to reduce space heating demand and provide

LONDON BOROUGH OF HAMMERSMITH AND FULHAM

continuous supply of fresh air. Energy efficient controls for lighting, space heating and hot water to reduce unnecessary use of systems.

- 'Be Clean' – Localised plant room providing communal space heating and hot water. This strategy has been applied to help reduced distribution losses, improving the efficiency of the systems for low temperature distribution.
- 'Be Green' – Use of Air Source Heat Pumps (ASHP) for low-carbon heating and hot water. Maximisation of solar Photovoltaic (PV) array across residential building where feasible.
- With the above strategy applied an estimated c. 71% operational carbon dioxide emission reduction will be achieved on-site, with the remaining being offset by a carbon offset fund contribution levy. The homes will also achieve Passivhaus 'classic' standard and the new community hall facilities will achieve BREEAM 'excellent' standards.

Design principles

26. Collaborative working with residents and co-production of the design has been the foundation of the Development from the start of the project.
27. Ecology and net zero carbon – The Site was selected early on in the process to be one of first sites to be delivered under the Council's Climate and Ecology Strategy and transitional targets. Based on design, the Development is estimated to reduce on-site carbon emissions by about 71% whilst achieving Passivhaus Classic Certification, and in doing so help bring down residents' energy bills by about 50%.
28. Likewise, the new community hall facilities will achieve BREEAM 'excellent' standards.
29. Accessibility and inclusiveness of the design has been one of the core principles underpinning the Development brief from the start. The Council engaged specialist accessibility consultants to maximise accessibility within the Development. Notably, Hammersmith & Fulham Disability Forum Planning Group were engaged and were given the opportunity to feed into the design. Their feedback was valuable and overwhelmingly positive. Secure by Design principles were followed to ensure the safety and wellbeing of all residents.
30. A number of other key principles that have underpinned the design are optimising urban greening and ecology, providing a high level of permeability across the Site.
31. This Development supports the Council's Strategic objectives and Business Plan aspirations and will facilitate the delivery of much needed affordable housing in the borough.
32. Importantly, the Development meets the Council's financial viability tests while maximising the number of affordable homes and utilising external funding.

LONDON BOROUGH OF HAMMERSMITH AND FULHAM

33. A planning application for the Development was submitted in January 2023 with a planning consent granted on 17th October 2023 (Ref: 2023/00087/FR3).

Procurement Process

34. The procurement strategy approved by Cabinet in May 2023 for the selection of the main contractor set out the council's chosen procurement route. The strategy described deemed that a Find a Tender Restricted Procedure under the PCR 2015 provided the council with the greatest assurance around contractor interest for this size of project, genuine competition, value for money, risk mitigation, and time efficiency.
35. This enabled the largest number of potential and appropriately sized contractors to participate in the process and to promote the opportunity for local SME and Tier 2 and 3 Contractors to access the procurement - who otherwise may have been excluded via the use of a Framework agreement.
36. The Council with the support of its external consultants Arcadis carried out detailed soft market analysis, including direct engagement with proportionately sized construction principal contractors. This was to understand market capacity, contractors' appetite for a development of this size, complexity and type, deliverability of the development within the Council timeline, as well as relative desirability of different procurement routes.
37. The soft marketing exercise has identified that the scheme can be procured using both the Open and Restricted Procedure. This exercise identified that contractors were keen to have a level playing field in terms of contractor size and capability; sufficient design information to mitigate pricing risk (i.e.: issue supplementary RIBA 3+ information); a pre-qualification and adherence to a tender programme.
38. The first step involved a Standard Selection Questionnaire (SQ) stage which was published on the Council's e-procurement portal, Capital E-Sourcing on 18th August 2023. Eight parties showed interest and submitted initial returns on 22nd September 2023.
39. SQ moderation meetings were held from which the 8 contractors were shortlisted to 5 contractors. They were invited to participate in the second step and the full Invitation to Tender (ITT) was issued on Capital E-Sourcing. During the tender period three of the contractors declined to respond mainly due to other workload commitments.
40. The ITT stage resulted in 2 parties providing responses to questions which demonstrated their capability and experience directly related to the delivery of residential net-zero developments within inner London areas.
41. The Council received two responses on 12th January 2024, in the presence of the council's procurement and commercial service, the two responses were opened, and the tender evaluation process began.

LONDON BOROUGH OF HAMMERSMITH AND FULHAM

42. The tenders were subject to evaluation by the council’s Tender Advisory Panel (“TAP” hereafter). The TAP had representation from the council’s development team, legal and procurement and commercial service, supported by the externally appointed Employer’s Agent. The TAP consisted of people with specialist construction expertise and subject matter experts to ensure the evaluations were carried out in an objective and unbiased manner.
43. The basis on which the tenders were evaluated is set out below:

Element	Weighting	Detail and explanation
Qualification	Pass / Fail	<p>Minimum requirements for qualification relating to:</p> <ul style="list-style-type: none"> • Bona Fine Tendering and anti-collusion; • Insurance levels; • Conditions of contract; • London Living Wage; • Modern Slavery; • Commitment in principle to the journey of Hammersmith & Fulham reducing the Council’s carbon impact; and • Commitment in principle to the journey of Hammersmith & Fulham becoming a Dementia friendly borough. <p>Tenders that failed to meet the minimum requirements for qualification would be rejected</p>
Price (Commercial)	40%	<p>The lowest submitted price is to receive a score of 40. The price score of the other submission is calculated according to the formula below.</p> <p>40% x (lowest submitted price / price of tender being evaluated)</p> <p>According to this formula, a contractor’s price score is both proportionate to the importance of the cost relative to quality, and to the most commercially beneficial price submitted to the council.</p>
Quality	60%	<p>The quality section of the tender (scored out of 60) assessed with 8 questions the contractors’ overall suitability to construct the Development and incorporated the following sub elements:</p> <ul style="list-style-type: none"> • Programme delivery approach • Quality & performance method statement • Health & safety method statement • Risk management, mitigation strategy & risk register • Team structure, governance & CVs of key personnel • Value Engineering proposals • Input to interview- including neighbourhood and community engagement (not scored) • Added value – qualitative • Added value - quantitative <p>As per the council’s Social Value policy, contractors’ proposals to deliver Social Value were weighted at 20% of the overall tender scoring process.</p>

LONDON BOROUGH OF HAMMERSMITH AND FULHAM

44. All tenders submitted passed the qualification stage, having met the minimum criteria.
45. Clarifications were raised by all parties on the returned commercial and quality documents which have all been fully answered and shared with all parties on capital e-sourcing in line with the procurement rules.
46. The TAP's evaluation and moderation of the two tender responses was finalised on 30th April 2024. According to the tender evaluation criteria as described above, and in view of the failure of three of the five shortlisted contractors to submit tenders, the final tender scores are as follows:

Rank	Contractor	Price Score	Quality Score	Overall Score
1 st	<i>Glenman Corporation Ltd</i>	40%	45.01%	85.01%
2 nd	<i>Contractor B</i>	37.15%	33.84%	70.99%

47. Officers therefore recommend that the contract for the construction of the 70 – 80 Lillie Road Development be awarded to Glenman Corporation Limited as the most economically advantageous tender, with an overall score of 85.01%.
48. The commercial price including contingency of £19,199,623 for Glenman Corporation Limited is within the budget estimate set out in the procurement strategy approved by Cabinet in May 2023, where the capital budget of £25,218,839 for delivery was also approved.
49. The contractors' proposed contract sums have also been compared against benchmark costs of similar projects in the borough and other inner London local government projects and it has been determined that Glenman's proposals are below the average benchmark cost of £4,875 /m². Additionally, their proposals fall below the average benchmark cost of £517,000/unit. On this basis it is deemed that Glenman's bid represents value for money for the Council especially as this scheme achieves aspirational sustainability standards and Passivhaus Classic accreditation.
50. The decision to award this contract is within the Cabinet Member's authority, as per clause 21.1. of the Hammersmith and Fulham Contract Standing Orders

Next steps

51. Should the Cabinet Member for the Economy approve officers' recommendation to award this contract. The Development's future milestones will be as follows:

Milestone	Date
Contract Execution and Site Possession	June 2024
Start on Site*	June-July 2024
Practical Completion	July 2026

LONDON BOROUGH OF HAMMERSMITH AND FULHAM

*In compliance of the conditions of RtB in anticipation of this process and to comply with GLA grant funding agreement, start on site will be secured by the Council entering into contract with Glenman Corporation Limited. Enabling works are already underway by Flatts and UKPS with design quotations requested for diversion works to satisfy this milestone, as these works will be subsumed within the main works contract at signature.

Analysis of Options

Option One: Approve the Contract Award as per the recommendations of this report (recommended)

52. The recommended option is to approve the award of the contract for the construction of the Development to Glenman Corporation Limited on the basis that the Development provides a range of benefits to the local community, principally the provision of much needed affordable housing and a new replacement TRA Hall.
53. The procurement process has been conducted on a competitive basis and in conformity with the approved procurement strategy, so as to ensure that the contract delivers the most economically advantageous tender and best value for money, substantial assurance around the quality of the supplier, and a range of positive social value outcomes within the borough.
54. The tender is within budget and the scheme remains viable.
55. The decision to approve the contract award will also ensure that the principal construction contractor is able to enter into contract, take possession of the site and start mobilisation works on site by June 2024 at the latest. Meeting this milestone will serve to ensure that the conditions of GLA grant funding agreement, which makes a significant contribution to the provision of affordable housing within the Development, are satisfied.

Option Two: Re-run the procurement process for the main construction contractor

56. The second option is to re-run the procurement process to select the main construction contractor. This option is not recommended on the grounds that it would unnecessarily postpone the provision of affordable housing in the borough and serve to threaten the viability of the Development, owing to the risk of losing previously secured GLA grant funding and Right to Buy receipts, by failing to meet their respective longstop drawdown dates.
57. The council has no reason to believe that repeating the procurement process would result in a more beneficial outcome in view of the fact that the procurement has been carried out using a competitive framework with experienced contractors.

Option Three: Reject the Contract Award and abandon the Development

LONDON BOROUGH OF HAMMERSMITH AND FULHAM

58. The third option is to abandon the Development by rejecting the contract award decision. This option is not recommended, because the Development delivers against a wide range of the council's strategic priorities, most notably the provision of much needed affordable housing and is viable when set against the Council's approved financial performance hurdles.
59. The council would face the prospect of having incurred significant abortive costs through any decision to not proceed with the Development.

Reasons for decision

60. This decision is required to comply with clause 21.1 of the Hammersmith and Fulham Council Contract Standing Orders, according to which Contract Awards for Capital Contracts above a value of £1.5m are to be approved by the relevant Cabinet Member.

Equality Implications

61. It is not anticipated that this award decision will give rise to any negative impacts on any group with protected characteristics, under the terms of the Equalities Act 2010. Additionally, the Procurement Strategy approved by Cabinet in the report, 'Lillie Road – New Council Development' dated May 2023, considered the wider implications of the redevelopment of the site.

Risk Management Implications

62. Whilst the financial risk regarding awarding the contract Glenman Corporation Limited (IE210198) has been cleared, it is appropriate that the financial engagement with Glenman Corporation should be monitored throughout the programme lifecycle.
63. There is a delivery risk in the management of this initiative leading to a potential loss of control, missed delivery dates, financial losses and reputational impacts. To mitigate appropriate programme, governance, reporting and communications must be put in place to ensure that the programme is delivered, to budget, on time, with to the defined quality levels and that the required outcomes are achieved. This will include maintaining a programme Risks, Assumptions, Issues and Dependencies (RAID) log, change control mechanisms as well as defined supporting processes. These should all be laid out and agreed in a Programme Management Document.
64. There is an engagement risk that LBH&F will be exposed to losses, delays and responsibilities due to ambiguities in poorly drafted contracts, inconsistent use of terminology, or lack of clarity in the contractual obligations and payment terms. To mitigate this risk, it is advised that all contracts are reviewed by external construction experts and compared to current construction contract where issues have been encountered.

Verified by: Jules Binney, Risk and Assurance Manager, 22nd May 2024

LONDON BOROUGH OF HAMMERSMITH AND FULHAM

Climate and Ecological Emergency Implications

65. New building has climate change impacts through both 'operational' emissions (from ongoing use of the building) and 'embodied' emissions (arising from the materials and construction). With a focus on operational emissions, the development has been designed to achieve Passivhaus certification, thereby achieving a high level of energy efficiency.
66. The proposed design will be a fossil-fuel free development, and achieves operational emissions reduction compared to current industry standards, with a c. 71% reduction in carbon. This goes beyond the minimum 35% reduction on-site required by the London Plan and the average 37% achieved by major developments in H&F in 2020.
67. During the detailed design stage, further work will be undertaken by the project and design team to specify materials that will reduce the overall embodied emissions within the design. Demolition of the existing building will also be managed to enable the reuse of suitable materials within the pre-construction stage of the development, with the intent to improve the modelled embodied emission levels above the GLA benchmark.
68. The development has used the H&F climate implications toolkit to maximise sustainability across the range of considerations. The development increases the area of planting and sustainable drainage over the existing Site and includes measures to provide resilience against extreme heat.

Verified by: Hinesh Mehta, Assistant Director Climate Change, 23 May 2024

Procurement Implications

69. The procurement has been conducted in accordance with the Public Contract Regulations 2015. Given the value of the contract and complexities it was deemed that the Restricted Procedure would be the most appropriate, to allow for a pre-selection stage of suppliers. The procurement was advertised using capitalEsourcing and all correspondence/submissions were sent/received via that platform. Both the SQ and ITT was evaluated and moderated in accordance with the PCR's 2015 and the Council's CSO's. The moderated scores including the consensus feedback for each stage have been uploaded on to capitalEsourcing and once the contract has been awarded it will be registered within the Contracts Register and be managed by the Contract Manager.

Sophie Uddin – Procurement Category Lead – 24/05/2024

Local Economy and Social Value

70. It is a requirement that all contracts awarded by the council with a value above £100,000 provide social value commitments that are additional to the core services required under the contract. These commitments must amount to at least 10% in value of the price of the contract proposed.

LONDON BOROUGH OF HAMMERSMITH AND FULHAM

71. Where s106 Employment and Skills obligations apply to contractors, it is important that these are in addition to, and not double counted as, Social Value outcomes. The recommended contractor has confirmed to the commissioner that its Social Value proposal is in addition to its s106 obligation.
72. It is recommended that the Commissioner works with legal to ensure contracts are explicit in making clear the distinction between s106 obligations and Social Value proposals as separate deliverables.
73. It is recommended that the Commissioner works with Legal to ensure contracts provide the Council with a right to secure remedies should the suppliers fail to deliver against the Social Value commitments.

Completed by Oliur Rahman, Head of Employment and Skills, 23 May 2024

LIST OF APPENDICES

Appendix	Subject
Appendix 1 (exempt)	Tender Analysis
Appendix 2 (exempt)	Procurement Report
Appendix 3 (exempt)	Contingency sums
Appendix 4 (exempt)	Exempt financial implications
Appendix 5 (exempt)	Final Summary Matrix