



London Borough of Hackney – Decisions taken by the Cabinet Procurement Committee on Monday, 5 October 2020

Decisions listed below that are Key Decisions will come into force and may then be implemented on the expiry of 5 clear working days after unless called-in by at least 5 non-executive members in writing and submitted to the Monitoring Officer.

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Part A – Items considered in public

1	APOLOGIES FOR ABSENCE	There were no apologies for absence. NOTED
2	Urgent Business	There were no items of urgent business. NOTED
3	DECLARATIONS OF INTEREST - Members to declare as appropriate	There were no declarations of interests. NOTED
4	NOTICE OF INTENTION TO CONDUCT BUSINESS IN PRIVATE, ANY REPRESENTATION RECEIVED AND THE RESPONSE TO ANY SUCH REPRESENTATIONS	There were no representations received. NOTED
5	DEPUTATIONS/PETITIONS/QUESTIONS	There were no deputations, petitions, or questions received. NOTED

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6	<p>A PROCUREMENT ROUTE FOR THE CONSTRUCTION OF THE MIXED TENURE HOUSING AT THE WIMBOURNE STREET SITES IN THE WENLOCK BARN ESTATE - KEY DECISION NO. NH Q 80</p>	<p>RESOLVED</p> <ul style="list-style-type: none"> i. That approval be given to a call off by way of a mini competition from Lot 6 of the Hyde National Framework Partnership, for the selection of a principal contractor for the construction of the 59 unit mixed tenure housing development, plus one commercial unit, at the Wimbourne Street site, with associated landscaping and public realm improvements; ii. that authority be delegated to the Group Director of Neighbourhoods and Housing, where required, in consultation with the Group Director of Finance and Corporate Resources and the Director of Legal and Governance to award the Contract Award to meet the GLA’s programme requirements; and iii. that it be noted that the associated demolition and enabling works of the existing site would be under a separate demolition contract in advance of the appointment of the principal contractor. <p>RELATED DECISIONS</p> <p>At its meeting of 29 February 2016 the Council’s Cabinet agreed the Housing Supply Programme.</p> <p>At its meeting on 18 July 2016, the Council’s Cabinet approved the Sales and Marketing Strategy. The Sales and Marketing Strategy authorises the Director of</p>

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		<p>Regeneration to implement the Sales and Marketing Framework. This is in relation to shared ownership and outright sale disposals, generated by both the Housing Supply and Estate Regeneration (ERP) Programmes.</p> <p>The strategy also gives authority to both the Director of Strategic Property and Director of Regeneration, to dispose of leasehold and freehold interests in shared ownership homes and outright sale homes (developed, or to be developed), as part of the HSP and ERP.</p> <p>REASONS FOR DECISION</p> <p>Overview of the Wimbourne Street project:</p> <p>The Wimbourne Street project is a mixed tenure housing development which forms part of the HSP. It is located in the Hoxton West ward and is part of the Wenlock Barn Estate, in the London Borough of Hackney. This report will outline the proposed process for procuring a principal build contractor to deliver this housing development, along with associated landscaping and public realm works.</p> <p>The site is divided by Wimbourne Street, which runs from east to west. Both parts of the site comprise empty garages with hard standing car parking. To the north of Wimbourne Street there are the existing Parr Court garages and parking; and to the south are the existing Cropley Court garages and parking. All the garages are now vacant.</p> <p>The proposed scheme consists of two buildings. The first is Wimbourne North, which is a seven storey block overlooking Shoreditch Park and comprises of 41 new homes. The second</p>
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		<p>is a five storey building comprising of 18 units, known as Wimbourne South. There will also be public realm improvements as part of the new development, which will comprise of new landscaping and planting around Parr Court and a new play area. The tenure of the homes will be as follows:</p> <ul style="list-style-type: none"> ● 22 homes for social rent ● 11 homes for shared ownership ● 26 homes for outright sale. <p>A Planning application for the Wimbourne Street project was submitted in June 2020 and was approved at the Planning Sub-Committee meeting on 2 September 2020.</p> <p>The Council will meet the full development costs of the scheme and act as developer for the social rent, shared ownership and outright sale homes. The form of contract will be a Joint Contracts Tribunal (JCT) Design and Build Contract 2016 with London Borough of Hackney amendments.</p> <p>The Council’s appointed Employer’s Agent (EA), has provided an Elemental Cost Plan at the pre-tender stage. This can be found in exempt Appendix 1. The estimated costs for the construction works are based on the RIBA Stage 3 design proposals and reflect the Planning drawings prepared by the project architects. Bidders will be required to submit a contract price for the construction of the main build works and landscaping.</p> <p>ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)</p>
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		<p>A range of procurement route options were considered with the project EA and Procurement Services. The principal objectives for the selection of the preferred procurement route were to access high quality and suitable contractors for the development, and to meet the GLA funding deadline to start on site by March 2022.</p> <p>The pre-tender estimate for the works is above the EU Threshold for Works of £4,733,252 and is therefore subject to the Public Contracts Regulations 2015 (PCR2015). An Open Procedure, Restricted Procedure and a Competitive Procedure with Negotiation were considered. However, the timeframe for using these procedures would be too lengthy and would risk missing the start on site deadline imposed by the GLA. For this reason, these options were disregarded.</p> <p>The option of procuring Wimbourne Street together with another HSP scheme, Buckland Street, under a single contract was also considered. The combined cost of both these schemes would place this tender under larger, Tier 1 contractors. This approach would exclude small-medium sized firms, other than as subcontractors, from bidding for the scheme, which was not considered beneficial to the project. Furthermore, any delay on one of the sites, would cause contractual complications for both schemes if under one contract. This option was rejected.</p> <p>Using an OJEU compliant Framework which has medium to large sized building contractors was considered a favourable option given the potential to reach a good number of suitable contractors for this medium sized development. A range of EU compliant Frameworks were reviewed with the Employer’s Agent, Regeneration Strategic Design team and Procurement Services.</p>
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		<p>Two Frameworks: the Southern Housing Group Framework, Lot 2 and the Hyde National Framework Partnership, Lot 6, were selected for soft market testing using the Council’s e-tendering portal. The results were positive, with a better range of suitable contractors on the Hyde NFP, Lot 6, compared to the Southern Housing Group Lot 2.</p> <p>It is therefore recommended to proceed with Lot 6 of the Hyde National Framework Partnership, as the most suitable procurement route for the Wimbourne Street site. Bidders will be able to bid for either Wimbourne Street or Buckland Street, or both projects under separate call offs. This framework has the following advantages:</p> <ul style="list-style-type: none"> ● There is a good range of suitable contractors on the Framework ● There will be an opportunity for tenderers to bid via a call off for either Wimbourne Street and Buckland Street, or for both projects ● The procurement timescales are acceptable.
7	SELECTION OF A PROCUREMENT ROUTE FOR THE CONSTRUCTION OF MIXED TENURE HOUSING AT FAIRBANK ESTATE - KEY DECISION NO. NH Q 75	<p>RESOLVED</p> <p>i. That approval be given to a single stage competitive tender process using Lot 2 of the Southern Housing Group Framework, for the selection of a principal contractor for the construction of the 73 unit mixed tenure housing development, plus three commercial units, at the Fairbank Estate site, with associated landscaping and public realm improvements.</p> <p>ii. that authority be delegated to the Group Director of Neighbourhoods and Housing, where required, in consultation with the Group Director of Finance and Corporate</p>

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		<p>Resources and the Director of Legal and Governance to award the Contract Award to meet the GLA’s programme requirements;</p> <p>iii. that it be noted that the associated demolition and enabling works of the existing site would be under a separate demolition contract in advance of the appointment of the principal contractor.</p> <p>RELATED DECISIONS</p> <p>At its meeting of 29 February 2016 the Council’s Cabinet agreed the Housing Supply Programme.</p> <p>At its meeting on 18 July 2016, the Council’s Cabinet approved the Sales and Marketing Strategy. The Sales and Marketing Strategy authorises the Director of Regeneration to implement the Sales and Marketing Framework. This is in relation to shared ownership and outright sale disposals, generated by both the Housing Supply and Estate Regeneration (ERP) Programmes.</p> <p>The strategy also gives authority to both the Director of Strategic Property and Director of Regeneration, to dispose of leasehold and freehold interests in shared ownership homes and outright sale homes (developed, or to be developed), as part of the HSP and ERP.</p> <p>REASONS FOR DECISION</p> <p>Overview of the Fairbank Estate project:</p>

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		<p>The Fairbank Estate project is a mixed tenure housing development which forms part of the HSP. It is located in the Hoxton West ward in the London Borough of Hackney. This report will outline the proposed process for procuring a principal build contractor to deliver this housing development, along with associated landscaping and public realm works.</p> <p>The site is located along East Road and is bounded by Murray Grove to the north. It is occupied by a 20 storey Council-owned tower block, Thaxted Court, which is to remain occupied during construction and a two storey garage block, which is to be demolished. The western part of the site has a lower level car park that surrounds Thaxted Court. A low rise block, Halstead Court, is to the south of the site. The site sits directly over two Network Rail underground tunnels, which adds a level of complexity and risk to delivery of the project.</p> <p>The proposed scheme consists of three, seven storey buildings providing 73 new homes, three ground floor commercial units and a community room. There will also be an entirely new public realm introduced which includes extensive infill works around Thaxted Court, hard/soft landscaping, a playspace, planting, car parking and a colonnade connecting the North and West blocks. The tenure of the homes will be as follows:</p> <ul style="list-style-type: none"> ● 28 homes for social rent ● 9 homes for shared ownership ● 36 homes for outright sale.
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		<p>A Planning application for the Fairbank Estate project was submitted in July 2020 and the application is due to be considered at the Planning Sub-Committee meeting in November 2020.</p> <p>The Council will meet the full development costs of the scheme and act as developer for the social rent, shared ownership and outright sale homes. The form of contract will be a Joint Contracts Tribunal (JCT) Design and Build Contract 2016 with London Borough of Hackney amendments.</p> <p>The Council’s appointed Employer’s Agent (EA), has provided an Elemental Cost Plan at the pre-tender stage. This can be found in exempt Appendix 1. The estimated costs for the construction works are based on the RIBA Stage 3+ proposals and reflect the Planning drawings prepared by the project architects. Bidders will be required to submit a contract price for the construction of the enabling and demolition, main build works and landscaping.</p> <p>ALTERNATIVE OPTIONS CONSIDERED (AND REJECTED)</p> <p>A range of procurement route options were considered with the project EA and Procurement Services. The principal objectives for the selection of the preferred procurement route were to access high quality and suitable contractors for the development, and to meet the GLA funding deadline to start on site by March 2022.</p> <p>The pre-tender estimate for the works is above the EU Threshold for Works of £4,733,252 and is therefore subject to the Public Contracts Regulations 2015</p>
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		<p>(PCR2015). An Open Procedure, Restricted Procedure and a Competitive Procedure with Negotiation were considered. However, the timeframe for using these procedures would be too lengthy and would risk missing the start on site deadline imposed by the GLA. For this reason, these options were disregarded.</p> <p>The option of procuring a contractor for the Fairbank Estate project via a bespoke two-stage tendering exercise was also considered. This option was originally preferred on the basis that it would enable the competitive procurement of a framework contractor at an early stage to price a fully designed superstructure and to support the design of the substructure. This approach would have enabled the Council to use the expertise of the contractor in developing a build solution for the complexities of the scheme - namely the works below ground and the logistics of the works within an existing residential area. However, following the completion of the Stage 3 design in December 2019 and the anticipated completion of Stage 3+ design process, the level of the design information has increased. This, together with the programme implications of the two-stage procurement resulted in a re-evaluation of the preferred approach. This option was therefore rejected.</p> <p>Using an OJEU compliant Framework which has medium to large sized building contractors was considered a favourable option given the potential to reach a good number of suitable contractors for this medium sized development. A range of EU compliant Frameworks were reviewed with the Employer’s Agent, Regeneration Strategic Design team and Procurement Services.</p> <p>Two Frameworks - Lot 2 of the Southern Housing Group Framework, and Lot 7 of the</p>

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		<p>Hyde National Framework Partnership were selected for soft market testing using the Council’s e-tendering portal. The results were mixed, with a better range of suitable contractors responding from the Southern Housing Group framework than the Hyde National Framework Partnership.</p> <p>It is therefore recommended to proceed with Lot 2 of the Southern Housing Group Framework as the most suitable procurement route for the Fairbank Estate site. This framework has the following advantages:</p> <ul style="list-style-type: none"> ● There is a good range of suitable contractors on the Framework ● The procurement timescales are acceptable.
8	SELECTION OF A PROCUREMENT ROUTE FOR THE CONSTRUCTION OF MIXED TENURE HOUSING AT BUCKLAND STREET, ST JOHNS ESTATE - KEY DECISION NO. NH Q 74	<p>RESOLVED</p> <p>i. That approval be given to a call off by way of a mini competition from Lot 6 of the Hyde National Framework Partnership, for the selection of a principal contractor for the construction of the 54 unit mixed tenure housing development, plus one commercial unit, at the Buckland Street site, with associated landscaping and public realm improvements;</p> <p>ii. that authority be delegated to the Group Director of Neighbourhoods and Housing, where required, in consultation with the Group Director of Finance and Corporate Resources and the Director of Legal and Governance to award the Contract Award to meet the GLA’s programme requirements;</p> <p>iii. that it be noted that the associated demolition and enabling works of the existing</p>

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		<p align="center">site would be under a separate demolition contract in advance of the appointment of the principal contractor.</p> <p>RELATED DECISIONS</p> <p>At its meeting of 29 February 2016 the Council’s Cabinet agreed the Housing Supply Programme.</p> <p>At its meeting on 18 July 2016, the Council’s Cabinet approved the Sales and Marketing Strategy. The Sales and Marketing Strategy authorises the Director of Regeneration to implement the Sales and Marketing Framework. This is in relation to shared ownership and outright sale disposals, generated by both the Housing Supply and Estate Regeneration (ERP) Programmes.</p> <p>The strategy also gives authority to both the Director of Strategic Property and Director of Regeneration, to dispose of leasehold and freehold interests in shared ownership homes and outright sale homes (developed, or to be developed), as part of the HSP and ERP.</p> <p>REASONS FOR THE DECISION</p> <p>Overview of the Buckland Street project:</p> <p>The Buckland Street project is a mixed tenure housing development which forms part of the HSP. It is located in the Hoxton West ward and is part of the St Johns Estate, in the London Borough of Hackney. This report will outline the proposed process for procuring a principal build contractor to deliver this housing development, along with associated landscaping and public realm works.</p>

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		<p>The site is located along Buckland Street, bounded by Clunbury Street to the west, and the neighbouring blocks, Cherbury Court and Crondall Court to the south and east. Currently the site comprises empty garages with hard standing car parking.</p> <p>The proposed scheme consists of three, six storey ‘villa’ buildings facing Buckland Street. There will also be public realm improvements and landscaping proposals as part of the new development, which will comprise of new landscaping and planting; and a ball court between Crondall Court and Cherbury Court. The tenure of the homes will be as follows:</p> <ul style="list-style-type: none"> ● 22 homes for social rent ● 14 homes for shared ownership ● 18 homes for outright sale. <p>A Planning application for the Buckland Street project was submitted in June 2020 and was approved at the Planning Sub-Committee meeting on 2 September 2020.</p> <p>The Council will meet the full development costs of the scheme and act as developer for the social rent, shared ownership and outright sale homes. The form of contract will be a Joint Contracts Tribunal (JCT) Design and Build Contract 2016 with London Borough of Hackney amendments.</p> <p>The Council’s appointed Employer’s Agent (EA), has provided an Elemental Cost Plan at the pre-tender stage. This can be found in exempt Appendix 1. The estimated costs for the construction works are based on the RIBA Stage 3 design proposals and reflect the Planning drawings prepared by the project architects. Bidders will be required to submit a contract price for the construction of the main build works and landscaping.</p>

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		<p>ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)</p> <p>A range of procurement route options were considered with the project EA and Procurement Services. The principal objectives for the selection of the preferred procurement route were to access high quality and suitable contractors for the development, and to meet the GLA funding deadline to start on site by March 2022.</p> <p>The pre-tender estimate for the works is above the EU Threshold for Works of £4,733,252 and is therefore subject to the Public Contracts Regulations 2015 (PCR2015). An Open Procedure, Restricted Procedure and a Competitive Procedure with Negotiation were considered. However, the timeframe for using these procedures would be too lengthy and would risk missing the start on site deadline imposed by the GLA. For this reason, these options were disregarded.</p> <p>The option of procuring Buckland Street together with another HSP scheme, Wimbourne Street, under a single contract was also considered. The combined cost of both these schemes would place this tender under larger, Tier 1 contractors. This approach would exclude small-medium sized firms, other than as subcontractors, from bidding for the scheme, which was not considered beneficial to the project. Furthermore, any delay on one of the sites, would cause contractual complications for both schemes if under one contract. This option was rejected.</p> <p>Using an OJEU compliant Framework which has medium to large sized building contractors was considered a favourable option given the potential to reach a good number of suitable contractors for this medium sized development. A range of EU compliant Frameworks were reviewed with the Employer’s Agent, Regeneration Strategic Design team and Procurement Services.</p> <p>Two Frameworks: the Southern Housing Group Framework, Lot 2 and the Hyde National</p>

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		<p>Framework Partnership, Lot 6, were selected for soft market testing using the Council's e-tendering portal. The results were positive, with a better range of suitable contractors on the Hyde NFP, Lot 6, compared to the Southern Housing Group Lot 2.</p> <p>It is therefore recommended to proceed with Lot 6 of the Hyde National Framework Partnership, as the most suitable procurement route for the Buckland Street site. Bidders will be able to bid for either Buckland Street or Wimbourne Street, or both projects under separate call offs. This framework has the following advantages:</p> <ul style="list-style-type: none"> ● There is a good range of suitable contractors on the Framework ● There will be an opportunity for tenderers to bid via a call off for either Buckland Street and Wimbourne Street, or for both projects ● The procurement timescales are acceptable.
9	ANY OTHER UNRESTRICTED BUSINESS THE CHAIR CONSIDERS TO BE URGENT	<p>There were no items of unrestricted urgent business.</p> <p>NOTED</p>
10	DATE OF FUTURE MEETINGS	<p>NOTED – meetings of the Cabinet Procurement Committee commencing at 5.00pm for the remainder of the Municipal Year 2020/21 as follows:</p> <p>9 November 2020 7 December 2020 18 January 2021</p>

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		8 March 2021 12 April 2021 10 May 2021
11	EXCLUSION OF THE PUBLIC AND PRESS DECISIONS TAKEN IN PART B – EXEMPT PART OF THE PROCEEDINGS	RESOLVED THAT the press and public be excluded from the proceedings of the Cabinet Procurement Committee during consideration of Exempt items 12-14 on the agenda on the grounds that it is likely, in the view of the nature of the business to be transacted, that were members of the public to be present, there would be disclosure of exempt information as defined in paragraph 3 of Schedule 12A to the Local Government Act 1972 as amended.
12	A PROCUREMENT ROUTE FOR THE CONSTRUCTION OF THE MIXED TENURE HOUSING AT THE WIMBOURNE STREET SITES IN THE WENLOCK BARN ESTATE - KEY DECISION NO. NH Q 80	RESOLVED That exempt Appendices 1 &2 in relation to agenda item 6 in the unrestricted part of the agenda be agreed and noted.
13	SELECTION OF A PROCUREMENT ROUTE FOR THE CONSTRUCTION OF MIXED TENURE HOUSING AT FAIRBANK ESTATE - KEY DECISION NO. NH Q 75	RESOLVED That exempt Appendices 1 &2 in relation to agenda item 7 in the unrestricted part of the agenda be agreed and noted.
14	SELECTION OF A PROCUREMENT	RESOLVED

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	ROUTE FOR THE CONSTRUCTION OF MIXED TENURE HOUSING AT BUCKLAND STREET, ST JOHNS ESTATE - KEY DECISION NO. NH Q 74	That exempt Appendices 1 &2 in relation to agenda item 8 in the unrestricted part of the agenda be agreed and noted.
15	ANY OTHER EXEMPT BUSINESS THE CHAIR CONSIDERS TO BE URGENT	There were no items of exempt urgent business. NOTED