

Title of Report	Dalston and Hackney Central Town Centre Sites: Appointment of Lead Architect
Key Decision No	CHE S116
For Consideration By	Cabinet Procurement and Insourcing Committee
Meeting Date	18 July 2022
Cabinet Member	Councillor Nicholson, Deputy Mayor for Delivery, Inclusive Economy & Regeneration
Classification	Open with exempt appendix The appendix is exempt by virtue of paragraph 3, part 1 of schedule 12A of the Local Government Act 1972
Ward(s) Affected	Hackney Central, Dalson
Key Decision & Reason	Yes Significant in terms of its effects on communities living or working in an area comprising two or more wards
Group Director	Ian Williams, Group Director Finance & Corporate Resources

1. **Cabinet Member's introduction**

- 1.1. Hackney's Local Plan (LP33) sets out the Council's planning framework and growth strategy for future development in the borough. Dalston and Hackney Central major town centres are identified as growth areas in the Local Plan where new homes, commercial space, retail, leisure, and community uses will be delivered. The Local Plan also allocates sites for potential development in the town centres, some of which are in Council ownership.
- 1.2. Since the pandemic, the need to support and strengthen our local economy and our town centres, and work with local residents, businesses and other stakeholders on the future of our town centres is more important than ever before. Significant opportunities exist to consider how we can better use Council owned land in our town centres to deliver more high quality affordable homes, commercial space, town centre uses, and community facilities as well as create new jobs. We will do this in a way that ensures that the local community can shape any plans and will benefit from any development that takes place.

- 1.3. Via our public engagement on the Local Plan, the Dalston and Hackney Central Conversations, and the Hackney Central Town Centre Strategy, the Council has received thousands of comments setting out what local people want to see in our town centres. We know that the supply and affordability of good quality housing is a key concern for our residents, as well as inclusive and safe streets and open spaces, supporting our small independent businesses, ensuring our town centres facilities cater to all and are accessible to everyone, and protecting the environment and Hackney's heritage.
- 1.4. Of the sites allocated for redevelopment in the Local Plan, nine Council owned sites in Dalston and Hackney Central have been identified to progress via a programme of work which will consider the feasibility of these sites for redevelopment, including what the future uses and design of the sites could be. The appointment of a lead architect and associated design team to carry out feasibility studies, led by a practice with an in-depth knowledge of the borough, is the first step in determining what can be achieved on key sites in our major town centres, and will allow us to meaningfully engage and co-design the future of these sites and our town centres with residents, businesses and other local stakeholders.
- 1.5. I commend this report to the Committee.

2. **Group Director's introduction**

- 2.1. This report updates Members on the progress of the Dalston and Hackney Central Town Centre Sites programme. Expenditure on the programme was first approved by Cabinet in September 2020 and this report seeks approval to enter into a contract to appoint a lead architect for the initial phase of work which will consist of the preparation of feasibility studies for the nine Council owned sites in the programme.
- 2.2. The nine sites have the potential to bring 1.65 hectares of underutilised land back into more productive use and deliver hundreds of new homes, affordable homes, and workspace as well as contributing financially to the Council including via the generation of capital receipts or long term rental income. The consideration and review of Council owned land and assets for alternative uses presents an opportunity to provide benefits for Hackney's residents, businesses and the local economy, as well as contribute to improving the Council's financial position in the long term which will in turn support the provision of vital Council services.
- 2.3. The programme has a total approved budget of £1.84m. The funding will deliver architectural feasibility and engineering studies, community engagement, viability analysis and potential delivery routes and a delivery strategy for the sites identified.
- 2.4. This report is presented to the committee following an extensive procurement process which was initiated in November 2021. I support the

appointment and contract award to progress this important programme of work.

3. Recommendations

- 3.1. **To approve the award of the Lead Architect contract to Supplier A on a fixed fee of up to £714,566.51 to deliver the initial phase of the Town Centre Sites regeneration programme, which consists of the preparation of architectural feasibility studies for nine Council owned sites in Dalston and Hackney Central.**
- 3.2. **To delegate authority to the Group Director of Climate, Homes and Economy, in consultation with the Group Director of Finance and Corporate Resources, to award subsequent call-off contracts for future work phases to Supplier A, within the existing £1.84m budget.**

4. Related Decisions

- 4.1. In September 2020, as part of the 'Capital Update Report', Cabinet approved a budget of £1.84m for the Town Centres Sites regeneration programme and the overall purpose and objectives of the programme which is to consider development options on nine Council owned sites in Hackney Central and Dalston town centres and to strengthen and improve the town centres and the local economy, deliver high quality and genuinely affordable homes, workspace, and create new job opportunities. Cabinet granted initial spend approval of £335k and allocated £1,505k for future expenditure on the programme.
- 4.2. In November 2021, the procurement business case for the Town Centre Sites was approved. This decision approved the procurement route to commission a Lead Architect by using the Greater London Authority (GLA) Architecture Design and Urbanism Panel framework - Lot 4 Architecture, Housing and Mixed Use.
- 4.3. In April 2022, as part of the 'Capital Update and Property Disposals and Acquisitions Report', further spend approval of £1,505,000 was granted by Cabinet. This decision approved expenditure of the funding required to appoint the consultant teams to develop the programme including the Lead Architect and associated design team, development advisor, and project management resource.

5. Reason(s) for decision

- 5.1. The decision to appoint the Lead Architect for the Town Centre Sites programme will provide the Council with the required design and engineering skills needed to complete comprehensive feasibility studies to determine the best future use and the financial viability of these important sites. In

particular this appointment will allow the Council to deliver against Local Plan objectives and corporate priorities which are set out below.

5.2. The maximisation of opportunities on Council land and sites will provide an uplift to Hackney's two major town centres in terms of new uses and facilities, new homes, commercial space, and jobs and help to meet the objectives set out in the Inclusive Economy Strategy and the Local Plan. Town centres have been identified as key locations to deliver the growth objectives of the Local Plan, and considering 9 sites in Hackney Central and Dalston town centres for redevelopment will support the delivery of the boroughs growth strategy, which includes the delivery of 26,250 additional homes, 23,000 new jobs, 34,000sqm of new retail and leisure floorspace and 117,000sqm of new business floorspace by 2033.

5.3. The nine sites that make up the programme are set out in the table below:

A	Hackney Central Station car park (and surrounding Council-owned land)
B	333-337 Mare Street (Iceland), 231-237 Graham Road
C	Hackney Town Hall car park (not allocated in the Local Plan)
D	Hackney Housing Florfield Depot (Reading Lane), Maurice Bishop House (17 Reading Lane), Roberts House (6-15 Florfield Road), Vacant plot on Florfield Road / Florfield Passage
E	1-3 Dalston Lane and 1-7 Ashwin Street
F	2-16 Ashwin Street, 11-13 Dalston Lane
G	Abbot Street Car Park, Dalston (not allocated in the Local Plan)
H	Former CLR James Library, 16-22 Dalston Lane, 62 Beechwood Road
I	Birkbeck Mews

5.4. The Hackney Central Place Policy in the Local Plan (PP3) sets strategic principles to strengthen the role of the town centre, to create more opportunities for retail, workspace, leisure, community uses and to deliver new homes, including genuinely affordable new homes alongside an improved public realm and town centre environment. The appointed Lead Architect will undertake design and feasibility work on four Town Centre Sites; which in turn will allow the Council to progress the delivery of the policy aspirations for the area.

5.5. The Dalston place policy in the Local Plan (PP2), sets strategic principles to strengthen the role of the town centre, to create more opportunities for retail, workspace, leisure, community uses and to deliver new homes, including

genuinely affordable new homes. The Local Plan also seeks to ensure that the creative, cultural and social organisations that give Dalston its distinctive identity will be sustained alongside the delivery of new homes, jobs and improved retail facilities. In addition, the Local Plan identifies the need to extend and improve Dalston's public realm, green and public open spaces.

- 5.6. This procurement also aims to address the transport and development commitments in the Community Strategy 2018-2028 by supporting the best options for increasing public transport capacity and connectedness in the borough, through working collaboratively in a multi-disciplinary way in partnership with key stakeholders such as Transport for London (TfL) and neighbouring boroughs. The feasibility work will explore the options to create a long term permanent entrance to Hackney Central Station, to increase capacity, accessibility, safety and passenger experience.
- 5.7. The programme also supports the Council's Housing Strategy 2017-2022 by seeking to increase the supply of genuinely affordable homes available to local people for rent and sale in the borough. Six out of the nine sites are identified as housing locations, and the feasibility studies will explore the delivery of new homes on these sites.
- 5.8. The Council's Inclusive Economy Strategy 2019-2025 supports development and optimisation of Council owned assets for the benefit of the boroughs economic areas. The three overarching objectives in the strategy are:
 - Priority 1 - Support local neighbourhoods and town centres to thrive and to be inclusive and resilient places.
 - Priority 2 - Champion and support local business and social enterprise in Hackney and protect and maximise the delivery of affordable workspace in the borough.
 - Priority 3 - Connect residents to high quality employment support and opportunities to learn new skills, get good quality, well paid work and progress their career throughout their working life.
- 5.9. The Town Centre Sites Programme will deliver on all three objectives by helping to support high streets and town centres to diversify and thrive and be resilient, especially in light of current pressures on the performance of retail and the acceleration and continued growth of online shopping, the need to increase the provision of affordable workspace and to provide new employment opportunities in our town centres.

6. **Details of alternative options considered and rejected**

- 6.1. Other options considered and rejected are listed below:

- **Not to appoint a Lead Architect services for the Hackney Town Centre Sites Regeneration Programme:** this option would mean that the programme cannot progress as the Council does not have the in-house capacity to deliver these services.
- **Appoint another bidder than Supplier A:** this option is suboptimal as set out in section 8.
- **Insourcing:** as set out in the Business Case, the specialist skills required to complete architectural feasibility studies are not available in-house. Insourcing is not a possibility for the type of service being awarded in this contract, given the technical expertise and resources required to complete architectural feasibility studies.

6.2. The options appraisal and tender evaluation process followed to select the lead architect involved an officer team made up of officers from Area Regeneration and Regeneration Strategic Design evaluating the six Lead Architect proposals submitted via the GLA ADUP framework, establishing whether they met the programme objectives and determining the most suitable supplier to provide architectural services. All bidders, including Supplier A, had been pre-selected by the GLA for their Architecture, Housing and Mixed Use design ability given they were listed on the ADUP framework.

6.3. The options appraisal and decision-making process to select the preferred architect was carried out in line with the following principles:

- **Proportionality:** the evaluation team reviewed all the information submitted as part of the proposal and requested additional information that was proportionate to the size of the contract;
- **Due consultation:** the Project Manager engaged with the Area Regeneration Managers during the options appraisal process ;
- **Officer advice:** the evaluation team engaged with internal teams throughout the procurement process including Regeneration Strategic Design, Strategic Planning, Procurement, Legal, and Strategic Property services;
- **Openness:** the evaluation team communicated openly and transparently with bidders during the clarification period and all relevant information was shared with all bidders, in a timely manner;
- **Clarity of aims:** a robust tender clarification process took place and the objectives of this process was made clear to bidders at every stage; and
- **Efficiency:** the evaluation team set out a clear evaluation timetable after the first round of clarification, and adhered to it.

6.4. The key strengths of Supplier A's proposal are summarised below:

- Strong design and planning experience of bringing sites forward as a portfolio.
- Understanding of the Council's town centre regeneration ambitions and the role this programme of sites has to play in this.
- Commitment to the local community and a robust public realm-led approach and masterplanning of the sites.
- Access to sustainability and station / rail infrastructure delivery experts, which is relevant for the sites adjoining Hackney Central station.
- Commitment to delivering social value outputs.
- Understanding of the Council's commitment to equality and diversity, by bringing together a diverse team of architects and designers, with different and complementary areas of expertise.

6.5. There is one identified disadvantage to the proposed course of action as the size of the appointed team and the numerous practices involved may result in complex management procedures, but the preferred Lead Architect has demonstrated strong project management ability and they will be required to manage the various sub-consultants on behalf of the Council.

6.6. The decision to award the contract to Supplier A for the completion of the feasibility studies is covered by the existing approved budget for the programme. Following the completion of the feasibility studies, a gateway review will take place to determine if any of the sites are required to proceed to a further design phase and the preferred delivery route if any of the sites are able to progress.

6.7. Depending on the outcome of the feasibility studies and a gateway review, additional funding may be required to progress the sites further. See paragraph 7.9- 7.13 for more detail.

7. **Background**

Project Progress

7.1. Since the business case approval in November 2021 the following workstreams have progressed:

- Appointment of internal Project Manager as a dedicated resource for the programme;
- Procurement of Lead Architect and completion of evaluation as set out in this report;

- Procurement of Development Advisor via three-stage process (Expression of Interest / Sifting Brief / Invitation to Tender) in line with Homes England framework guidance;
 - Programme governance established including project and contract management, governance, and reporting mechanisms.
- 7.2. A key change since the business case was approved, is an adjustment to the scope of the initial phase of the programme due to the Lead Architect tender prices being returned at a higher price than anticipated.
- 7.3. The initial proposal in the business case was to develop designs for each of the sites to concept design (RIBA stage 2) with the exception of Hackney Central Station which, following the agreement of Cabinet on 16th March 2020, would be progressed to a planning application stage design (RIBA stage 3).
- 7.4. Following receipt of the Lead Architect tender returns, the cost of designing all 9 sites to RIBA 2 was approximately twice the budget allocated for the feasibility studies. This is largely due to inflation in the construction market which is impacting all suppliers and services and generally challenging economic conditions. The approved budget in 2020 covered eight sites, and a ninth site (Birkbeck Mews) was also added to the sites portfolio at a later stage.
- 7.5. To mitigate the cost increase, a decision was made, in consultation with Procurement and Legal, to review the scope of the design work and to appoint the Lead Architect to undertake design work up to feasibility stage (RIBA Stage 1) only in the first instance, as opposed to concept design (RIBA Stage 2). This revised approach was communicated to bidders during the procurement process and pricing and resource schedules were resubmitted by the bidders to reflect this change.
- 7.6. The bidders also provided price information up to RIBA Stage 6 for all sites and therefore, if the Council wishes to progress any of the site designs beyond feasibility stage then it is able to do this at a later date. Any progression to further design stages will be subject to gateway review, the required approvals and budget being in place.
- 7.7. It is considered that this approach is beneficial in the circumstances as completion of the feasibility studies will provide sufficient information on the future potential uses, design and financial viability of the sites to enable the Council to make a decision as to, if the sites should progress to redevelopment, how the sites will be delivered, and if any further design work is required to be undertaken by the Council.
- 7.8. Contracts for design services required to deliver future phases of the programme, will be awarded to Supplier A, subject to the required approvals and budget being in place.

Whole Life Costing / Budgets

- 7.9. A budget of £1.84m has been allocated to the programme and there is sufficient funding available in the programme budget to cover the £714,566.51 cost of the Supplier A contract award. The remainder of the budget will be used for the following:

Lead Architect contract price	£714,566.51
Other professional fees (including development advisory services and project management)	£550,000
Contingency and commissioning future phases	£575,433.49
Total budget	£1,840,000

- 7.10. The contract sum for feasibility work up to RIBA Stage 1 (£714,566.51) includes £502,887.51 of Lead Architect and subconsultants fees, and £211,679 of provisional sums to cover the costs of surveys required to carry out appropriate site investigations, produce viable design options and make decisions based on comprehensive feasibility analysis. Those surveys will be commissioned by the Lead Architect and subconsultants.

- 7.11. The estimated fees indicated in the pricing schedule for future phases of work are set out below for information. The bidders were asked to price all RIBA design stages, however it is considered unlikely that all nine sites in the programme will proceed to the stages set out below. Following the completion of the feasibility studies (RIBA Stage 1) and a gateway review of the sites, then a decision will be taken to determine if any sites can proceed to RIBA Stage 2 and the required budget, and other required approvals, will be sought for this.

Scope	Estimated fee for single stage only	Total cumulative fee including all previous RIBA stages
RIBA Stage 2 fee for all nine sites	£1,213,392.18	£1,927,958.69
RIBA Stage 3+ fee for all nine sites Other surveys	£2,381,397.82 £252,430	£4,561,786.51
RIBA stages 4-6 option A (novation) for all nine sites	£2,387,921.60	£6,949,708.11
RIBA stages 4-6 option B (design guardian) for all nine sites	£67,781	£4,629,567.51

- 7.12. Maximising value for money for the Council has been a key factor in the approach taken to the procurement and contract award approach to date

and will be a key consideration for the feasibility studies, any future phases of the programme and any future programme expenditure not already approved and in addition to what is set out in this report will be subject to the required approvals.

- 7.13. If the sites were to be redeveloped, it would be on the basis that they would be able to make a positive financial contribution to the Council and Council service delivery via the generation of capital receipts or long-term rental income. The exact scale of financial return to Council is not yet known as the testing of design options for the sites via the feasibility studies is the first stage in the programme.

Savings

- 7.14. No savings have been identified at this stage of the project. Any potential future savings will be presented to Cabinet if required.

Equality impact assessment / Equality Issues

- 7.15. This commission required that the Lead Architect partner with a practice or practices led by underrepresented groups in their delivery of the programme and 5% of the overall evaluation criteria required the bidders to include a statement explaining the role of the underrepresented practices in the team. Supplier A assembled a team of several practices led by underrepresented groups, and scored the maximum mark on this question as they demonstrated their commitment to inclusive engagement and to representing Hackney's diversity.
- 7.16. The business case identified that the programme will have a positive impact on people or groups due to their age, disability, ethnicity, gender, religion/belief, sexual orientation and/or other characteristics, through the exploration and design of additional commercial and community facilities, and new affordable housing, that are available to all.
- 7.17. The evaluation team asked specific clarification questions about accessibility, inclusion and social value as part of the tender evaluation process, to understand how the accessible and inclusive design expertise would be resourced and applied and to quantify the proposed social value outputs. The successful bidder's commitments are set out in the KPI table in section 9. Achieving positive impact will also be facilitated by working closely with the Dalston and Hackney Central community panels, local schools and Hackney Works

Sustainability and climate change

- 7.18. Procuring Green - This procurement is for design services and the main output from the contract award will be the production of land use and design options for the nine sites in the programme. This work will consider:
- Using renewable resources and preserving non-renewable ones

- Reducing, reusing and recycling, with particular reference to plastics
- Reducing CO2 emissions
- Diverting from landfill and incineration as far as practically possible
- Proactively sourcing low carbon and green energy
- Using “whole life” costing where practicable, taking account of the cost of disposal and decommissioning
- Purchasing sustainable timber products
- Minimising negative impact of Freight associated with the Council’s procurement and contracting activities.

7.19. Bidders’ approach to sustainability was evaluated as part of quality and Supplier A demonstrated a strong understanding of sustainability and experience of delivering projects that reflect best practice, as well as very good green credentials.

7.20. Procuring for a Better Society - The programme is aimed at improving Hackney’s two major town centres for the benefit of the local community by identifying additional genuinely affordable housing, increasing employment floorspace, supporting local employment and providing new town centre and community facilities.

7.21. The Lead Architect and several sub-consultants are local businesses to Hackney, which was highlighted in the bids, and this commission will be an opportunity to use the Lead Architect’s network to include even more local suppliers into the supply chain, wherever possible.

7.22. Social Value represented 10% of the overall evaluation criteria and Supplier A made commitments to deliver social value outputs throughout the various design phases. These included 2 school workshops per year (primary, secondary and further education), school aged work experience and university / further education placements. Social value deliverables for the feasibility phase of work are set out in the Key Performance Indicators table at paragraph 9.2

7.23. Procuring Fair Delivery - The specification and invitation to tender specifically referred to the Council's aspirations relating to equality and diversity in this commission in terms of the practices appointed to complete this work and the Lead Architect was required to demonstrate their approach to delivering against these aspirations.

7.24. London Living Wage is a minimum requirement of this procurement and it applies to the lead contracting organisation and any sub-consultants.

7.25. The specification and ITT encouraged diversity in the workforce, requiring all bidders to outline their approach to collaborating with local practices that

reflect the borough's demographic with a particular focus on working with underrepresented groups.

Risk assessment

- 7.26. A risk relating to the programme at this stage is that the sites which will be subject to feasibility studies will be deemed not to be viable for redevelopment following the completion of the feasibility studies and no development is able to go ahead. In that case the funding spent on the feasibility studies may not lead to any further work on the sites and the potential benefits that the sites could provide (new affordable homes, town centre uses, future Council income etc) may not be realised. This risk will be mitigated by working with the lead architect, the development advisor (once appointed), the Regeneration service and other Council services to ensure that any development being considered is able to meet the Council's priorities in terms of design, planning, placemaking and financial requirements as well as considering and balancing the needs and requirements of the community and stakeholders.
- 7.27. There is a risk that the contract awarded (if approved) to the lead architect will be subject to increases in time or budget however the fees for the work being commissioned are clearly set out in the submitted tender documentation and will be set out in the contract. In addition a programme has been provided by the lead architect as part of their tender submission and an up to date programme and milestones will also be included in the contract. The contract will be subject to robust contract management and monitoring by the project manager to ensure that any programme slippage or cost increases are minimised.

8. Tender Evaluation

- 8.1. Six tenders were received on time and all met the minimum compliance requirements. As the procurement route was the GLA ADUP framework, the process was compliant with EU regulations. There was no sifting stage, the tender was issued to all 14 suppliers on the specific lot.
- 8.2. The tender evaluation team was made of three officers: Senior Capital Project Manager (Area Regeneration), Hackney Central Area Regeneration Manager (Area Regeneration), Senior Design Officer (Regeneration Strategic Design). In addition, the Dalston Area Regeneration Manager and Area Regeneration Programme Manager provided comments on the tenders, which were incorporated at the moderation meeting.
- 8.3. The evaluation team issued several clarifications to bidders in order to complete the scoring. The final round of clarifications included clarification meetings with all bidding teams. Bidders presented their written responses to clarifications and answered questions on outstanding points as required.

8.4. The six submissions were of good quality and generally consistent prices, and were scored according to the following evaluation Criteria and weightings:

- Quality 75% (including Experience 15%, Approach to brief 25%, Resourcing 25%, Social Value and Sustainability 10%)
- Price 25%

8.5. The Project Manager conducted due diligence by contacting two client references, who confirmed the suitability of the preferred bidder for the Lead Architect contract and highly commended them.

8.6. The scores were moderated by the Procurement Category Manager and the highest scoring bidder is Supplier A.

8.7. Supplier A is the preferred and recommended bidder for the Lead Architect contract. They are the highest scoring bidder with a total of 78.76% (60.20% quality and 18.56% price). Their proposal and the multi-disciplinary team assembled for this project demonstrate a real commitment to designing a diverse and inclusive environment in Hackney's two major town centres. In addition, Supplier A has all the relevant experience, including specialist station architects, and is proposing to deliver meaningful social value outputs. Their approach to the brief, including project management and resourcing, meets all the needs and objectives of the Business Case.

8.8. The table below summarises price and quality scores for all suppliers:

	Supplier A	Supplier B	Supplier C	Supplier D	Supplier E	Supplier F
Quality	60.20%	42.00%	57.00%	51.00%	53.60%	52.00%
Price	18.56%	18.19%	20.31%	22.71%	18.95%	14.21%
Total	78.76%	60.19%	77.31%	73.71%	72.55%	66.21%

8.9. The initial phase of the contract (£714,566.51) is affordable to the Council as £1.84m was allocated to Hackney and Dalston Feasibility Studies programme by Cabinet in November 2020. The budget will be managed by the project team and overseen by a programme board. The feasibility studies will consider how these sites can generate income to the Council in the future and any income could include the repayment of initial Council expenditure on the programme. Currently, the Council's internal management costs are limited to the dedicated project management resource as well as existing staff resources in the Area Regeneration service, and other services as required.

8.10. There are no TUPE implications for this project. The tender specification for this contract confirms that London Living Wage applies to the Lead Architect and any sub-consultants

9. **Contract Management Arrangements**

Resources and Project Management (Roles and Responsibilities)

- 9.1. The day-to-day project management of the contract will be led by the Senior Capital Project Manager in the Area Regeneration service. The Head of Service for Area Regeneration is the programme sponsor. The Town Centre Sites Programme Board has overall responsibility for the delivery of this regeneration programme. Issues will be escalated within the Area Regeneration Service and to the Programme Board as appropriate.
- 9.2. 1 x dedicated FTE resource is currently an appropriate amount of resources for the programme, and additional officer support is available as and when required. The Senior Capital Project Manager has adequate skills and experience to manage the project. There are no TUPE implications with this contract.
- 9.3. This level of resourcing is appropriate on the basis that other Council services that are involved via the Programme Board and the wider delivery team, and will factor in time for the programme within their current priorities. This will be monitored and reviewed as required via the Programme Board.
- 9.4. Successful implementation of the contract will be managed through day-to-day contact and liaison, monthly progress meetings and reported to the Programme Board via a highlight report. Client variations and scope creep will be mitigated by having a brief tracker and change request management process in place.
- 9.5. Contract performance will be measured using the Key Performance Indicators set out at paragraph 9.2, and monitored at quarterly performance reviews. Success is defined in a programme brief, which has been signed off by the Programme Board and will be kept under review.
- 9.6. Continuous improvement of the service provided via the contract will be achieved through regular debriefs within the project team and in discussion with the Programme Board.

Key Performance Indicators

9.7. The table below sets out the main KPI targets for the contract:

Main KPI Targets Set	Monitoring
Produce all deliverables on time and at the quality standard agreed with	A baseline programme will be agreed after contract inception,

<p>the client. Deliverables are listed at paragraphe 5.1.13 and below:</p> <ul style="list-style-type: none"> ● Initial Brief and project initiation (RIBA 0) ● Site investigations and survey work ● Feasibility studies and Project Brief (RIBA 1) ● Development Prospectus x9 ● Design several options of a viable portfolio to take forward 	<p>which will form the basis for feasibility milestones, which will be monitored at monthly project meetings and at Programme Board.</p> <p>The recommended bidder for the Lead Architect's provisional programme allows for appropriate sign-off periods.</p> <p>Client feedback on quality will be provided upon receipt and review of deliverables.</p> <p>Any issues will be raised at quarterly performance meetings.</p>
<p>Design a scheme / portfolio that is compliant with planning requirements set out in the Local Plan (minimum 50% affordable housing a 10% affordable workspace)</p>	<p>Likely to be achieved and monitored through a Unilateral Undertaking, and reported on at Programme Board.</p>
<p>Clear communication channels will be established with the client team</p>	<p>This will be monitored at quarterly performance meetings.</p>
<p>Risks are raised with the client in a timely manner and managed, as opposed to monitored only.</p>	<p>Recommended bidder for the Lead Architect has committed to an early warning system and a centralised risk register.</p> <p>Risks will be monitored at monthly project meetings and reported to the Programme Board.</p>
<p>Collaborative working with the Development Advisor and Cost Consultant.</p>	<p>This will be monitored at quarterly performance meetings.</p>
<p>The following Social Value commitments will be delivered during feasibility:</p> <ul style="list-style-type: none"> ● 2 school workshops (Primary, secondary & FE) per year ● 3 school aged work experience placements. 	<p>Standing agenda item at monthly project meetings, and ensure actions are noted and monitored against it.</p> <p>Social Value will be monitored at monthly project meetings and reported to the Programme Board.</p>

9.8. Should the contract get extended into future phases of work, a new set of KPIs will be developed.

10. **Comments of the Group Director of Finance and Corporate Resources.**

10.1. The report recommends awarding the contract for Design services to Bidder A, at a cost of £714,566.51. Bidder A scored highest overall. The prices between all 6 bidders were fairly consistent, especially for RIBA Stage 0/1 which the majority of this particular award relates to.

10.2. There is budget available within the project to cover these costs. If the decision is made to proceed with Bidder A once they have completed the initial tranche of work, another award report will be required alongside Finance sign off to confirm budget availability at that point.

10.3. It is important to ensure the Bidder has a good understanding of the internal Financial parameters that the projects will need to meet when carrying out their initial design work. Lessons learnt from past Regen projects should be taken account of in the early stages of this contract.

11. **VAT implications on land and property transactions**

11.1. No VAT implications for this award of contract.

12. **Comments of the Procurement Category Lead**

12.1. The tender exercise to appoint the Lead Design Architect for the Town Centre Sites regeneration programme has followed a compliant Public Contract Regulations 2015 prescribed procurement procedure. The recommendation to award the contract to Supplier A, to deliver the entirety of the programme and in particular to go into contract for the initial phase of delivery is endorsed.

12.2. It has to be noted, however, that at a 75% Quality criteria weighting there were two other suppliers who submitted more 'price' competitive bids. One of whom was only three percentage points lower on their 'Quality' score. For future procurement the 'Price' / 'Quality' should be more balanced.

12.3. Nevertheless, the contracting option provides opportunities for added value if the contract novation provision is adopted for the Technical Design stage.

13. **Comments of the Director of Legal, Democratic and Electoral Services**

13.1. This matter was classified as Low Risk and therefore the Business Case for the procurement was signed off by the Director in accordance with paragraph 2.8.1 of Contract Standing Orders. However, the potential maximum value of the contracts to be awarded for this project is over £2m and therefore this Report is being presented to Cabinet Procurement and

Insourcing Committee in accordance with paragraph 2.5.3.. of Contract Standing Orders.

- 13.2. The Council used the Greater London Authority Architecture Design and Urbanism Panel Framework in order to seek bids for the services. The details of the bids received and the recommendations for contract award are set out in this Report.
- 13.3. Paragraph 2.2 (ii) of the Cabinet Procedure Rules states that “If the Elected Mayor delegates functions to a Committee of the Cabinet, unless they direct otherwise, the Committee may delegate further to an officer”. Cabinet Procurement and Insourcing Committee, as a committee of the Cabinet, is therefore permitted to delegate to the Group Director of Climate, Homes and Economy authority to award any subsequent call-off contracts for future work phases to Supplier A, up to a maximum aggregate sum of £1.84m. It should be noted that any further contracts for services with Supplier A beyond the current approved value of £1.84m would be subject to financial and pipeline approval as appropriate.

Appendices

14. Appendix 1: Detailed tender evaluation information (Exempt)

By Virtue of Paragraph 3 Part 1 of schedule 12A of the Local Government Act 1972 the appendix is exempt because it contains information relating to the financial or business affairs of any particular person (including the authority holding the information) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information

Background documents

15. In accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012 publication of Background Papers used in the preparation of reports is required.
- [29 September 2020 Cabinet Report](#)
 - [25 April 2022 Cabinet Report](#)

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