

## DECISION MAKING REPORT

Report for Director Decision

Item number: n/a

Title: Award of Contract under Contract Standing Order( CSO )  
9.07.1c

Report  
authorised by : Emma Williamson- Assitant Director Planning

Signed \_\_\_\_\_ date \_\_\_\_\_

Lead Officer: Dean Hermitage, Head of Development Management and  
Planning Enforcement

Ward(s) affected: N/A

Report for Key/  
Non Key Decision: N/A

### 1. Describe the issue under consideration

I write to request your approval to the implementation of Contract Standing Order 9.07.1 c), which provides that a Director may award, assign, or novate contracts valued up to £500,000 (five hundred thousand pounds).

### 2. Cabinet Member Introduction n/a

### 3. Recommendations

For the Assistant Director of Planning to approve the implementation of Contract Standing Order 9.07 .1c. and award a contract for the provision of Haringey independent viability assessments with Valuation Office Agency (VOA) and GL Hearn for a period of 2 years from 2 July 2018 to 1 July 2020.  
The envisaged total spend over the life of the contract is £450,000

### 4. Reasons for decision

In May 2018 a two stage mini competition was held to seek bids from the Homes County Agency professional panel for two companies to carry out independent viability assessments on behalf of the Council for major planning applications.

The tender was open for a two stage mini competition from 8 May 2018. Four bidders namely VOA, GL Hearn, Supplier A and Supplier B were invited to submit bids. There was a late submission at the sifting stage from BNP Paribas Real Estate, this response was discounted as it was received after the closing date.

Two of the bids were rejected because these bidder's score were lower this was principally due to for one bid the winning bidders giving a clearer project management approach in their proposal, the pricing element was much higher than what was proposed by successful bidders and the evidence provided on CPD was not set out well as the successful bidders. For the other bid the successful bidders gave a better explanation of the changing London economy and local picture. The winning bidders also gave a clearer project management approach in their proposal

5. Valuation Office Agency (VOA) and GL Hearn the proposed contractors scored the highest in the tender process which was weighted as follows 50% cost, 50 % quality.

The scores were as follows:

Criteria	VOA	GL Hearn	Supplier A	Supplier B
Quality	39	37.0	33.0	32
Price	50	37.5	38.5	25
Total	89	74.5	71.5	57

## 6. Alternative options considered

**Do Nothing:** This not an option. The appointment of independent assessors on a contract was a commitment that was made through the viability scrutiny review. In addition it is an important requirement for Planning within Haringey Council

**Stay as we are:** This is not an option two independent assessors need to be appointed.

**Carry out RFQ:** Through Home County Agency Framework agreement

This was the preferred option. A mini competition was carried out and 4 bidders from the Homes County Agency framework submitted bids. These were evaluated accordingly.

## 7. Background information

7.1 Haringey Planning Policy and policy in the London Plan requires that viability assessments submitted with Planning applications are independently assessed to ensure that the maximum reasonable amount of affordable housing on a site by site basis is being provided.

7.2 Haringey Council requires to contract with two companies to provide independent assessments of viability appraisals submitted with Major planning applications. We anticipate that these will number 15-20 per annum. We

require these independent assessments to be carried out on an existing use value plus basis.

7.3 These standard independent viability assessments for planning application determination purposes include the following requirements:

- review the proposed profit level
- review the proposed build costs
- review the proposed financing costs
- review the proposed sales values
- review any commercial rental values included in the appraisals
- review any exceptional development costs
- Come to a view whether the applicant is proposing the maximum level of affordable housing and if not advise of the surplus that is available.

7.4 The costs of these independent assessments will be recharged to the applicants.

## **8. Contribution to strategic outcomes**

The independent assessment of viability contributes to delivering growth within Haringey and contributes mainly to P4 and P5 outcomes.

## **9. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)**

### **Finance**

This reports recommends the award of contract for the provision of independent advice on viability assessments to VOA and GL Hearn for a period of 2 years from 16 June 2018 to 15 June 2020.

These two contractors were selected after evaluation of bids from four companies chosen from HCA panel.

There is no contract sum attached to this contract at this stage but each viability assessment will attract its own fees.

The fees for independent viability assessments will be paid by the Council and the Council will either invoice the developer for the the full cost or the fee will be included in the Planning Performance Agreement for the proposal.

There will be no financial implication; provided agreement to pay these fees is sought from the developer prior to the assessment being commissioned.

### **Procurement Comment:**

The procurement process has been followed by the service. The requirement was procured through Home County Agency government approved framework

agreement. A consensus was reached by the evaluators and contract was awarded accordingly. KS Strategic Procurement Unit 14/6/18

**Legal Comment:**

The Assistant Director of Corporate Governance has noted the contents of this report and has nothing further to add.

**10. Use of Appendices**  
n/a

**11. Local Government (Access to Information) Act 1985**  
n/a