

Report for: Ruth Gordon, Cabinet Member for Housebuilding, Placemaking, and the Local Economy – 25 July 2024

Item number: 6

Title Approval of contract for Mechanical, Electrical and Public Health (MEPH) Engineering Services to support the Broadwater Farm New Homes Programme.

Report

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Ward(s) affected: West Green

**Report for Key/
Non Key Decision:** Key Decision

1. Describe the issue under consideration

- 1.1 The Council is currently working on a transformative regeneration programme across the Broadwater Farm estate. In total, the council has committed to spend over £250m of resources to retrofit existing homes, build new homes and transform the wider environment, better connecting it to the local area and wider facilities.
- 1.2 Construction work is supported by an ambitious set of socio-economic programmes. These aim to better connect residents to each other, support residents into employment and training and maximise health and wellbeing outcomes.
- 1.3 This report seeks authority to award a contract for Mechanical, Electrical and Public Health (MEPH) engineering services for the Broadwater Farm New homes programme which is a key component of the overall regeneration programme. By awarding this contract the council will be able to complete RIBA stage four designs ahead of procuring a contractor to build the homes.

2. Cabinet Member Introduction

N/a

3.0 Recommendation

3.1 It is recommended that the Cabinet Member for House Building, Placemaking and Local Economy, pursuant to Contract Standing Orders 9.07.1 (d) and 16.02 approves the award of a Mechanical Electrical and Public Health Services consultancy contract to the contractor identified in the exempt part of the report for the total value of £663,280.

4.0 Reasons for Decision

- 4.1 In order to build new homes on the Broadwater Farm estate the Council needs to finalise designs ahead of appointing a contractor. The Council appointed a contractor last year to undertake this work but this contract was terminated following a failure to agree a build contract for the first phase.
- 4.2 While design and engineering work on phase one is completed and procurement for a build contractor is underway, design and engineering work for all future phases is required. In order to progress this, and to ensure the council retains control over engineering design quality and design integrity, the council is proposing to appoint a qualified Mechanical Electrical and Public Health consultant. Without this appointment the council is unable to progress the new homes scheme.
- 4.3 As part of the commission the consultant will provide a range of services, including the design, detailed specification, tendering, construction, completion and commissioning of all mechanical electrical installations, and to support the development and delivery of the Broadwater Farm Estate regeneration programme for the remainder of the pre-construction programme and construction programme.
- 4.4 The council is procuring other professional services to complete the design and engineering team. A lead consultant, architect, and structural and civils engineer have been selected and other services will be procured including fire safety, principal designer and clerk of works. These appointments will be subject to separate decisions.

5.0 Alternative Options Considered

- 5.1 The council could have sought to procure a new contractor to complete the RIBA stage four designs. Analysis of market conditions and advice from the procurement team concluded that this approach would not offer the council the best value for money.
- 5.2 The council could have sought to resource the work in-house. Unfortunately, the council does not have the resources in house to do this work.
- 5.3 The council could have decided to not progress the scheme. The council has however committed to residents to deliver new homes and improvements to Broadwater Farm, so this option was discounted.

6.0 Background

- 6.1 In 2022 Broadwater Farm Residents overwhelmingly supported proposals for new homes and wider estate improvements through an estate wide ballot. In total 85% of residents supported the design work completed by the Council's architects. This followed extensive engagement and involvement with residents and wider stakeholders across the estate. The ballot result also unlocked GLA funding to support the delivery of the scheme.
- 6.2 Through the scheme the Council will be delivering 294 new high-quality homes alongside a new park, energy centre and local amenities including new shops, health centre and landscaping. 45% of new homes will be family sized units and will considerably reduce over-crowding across the estate.
- 6.3 The scheme received full planning approval in late 2022 with minimal objections from the local community and strong support from local stakeholders.
- 6.4 Progress onsite is already well advanced, with the demolition of Tangmere nearing completion, enabling works to support the development onsite this month and work with UKPN to install new infrastructure well advanced.
- 6.5 In order to progress the new homes scheme, the Council is appointing a new design team to complete the design work ahead of going to market. By completing RIBA stage 4 itself the council reduces design risk and can work to secure value for money across the scheme. The new design team can also support the council to update designs to ensure they reflect changes to Building Regulations since RIBA 3 was concluded.
- 6.6 A procurement process was commenced in December 2023 and tenders were invited via the council's London Construction Programme Dynamic Purchasing System (DPS) for professional services.
- 6.7 The tenders were returned on January 25th, 2024, and following evaluation and moderation the council is now ready to award the contract.

7.0 Procurement and Tender Process

- 7.1 The Dynamic Purchasing System (DPS) the professional services lot was used for the procurement process in accordance with CSO 9.04.1(b).
- 7.2 The tender documents comprised the following:
- Invitation to Tender document (ITT)
 - Scope of Service document.
 - Construction consultancy contract (draft)
 - Tender Pricing Schedule.
 - Supplier Information Form
 - Tender Return checklist.
- 7.3 The tender is weighted 60% quality to 40% price.

7.4 One compliant tender return was received. The Quality submission was assessed by LBH officers and the Project Manager from Alban LLP. A moderation meeting was held to agree the final quality scores which were then combined with the pricing evaluation to determine the order of the bidders.

7.5 Airey Miller LLP undertook the tender price evaluation and Alban provided the final tender evaluation report, combining the quality and price scoring. The outcome of the evaluation was as follows:

Tenderer	Tender Price/ £	Tender Price Score/%	Quality Score/%	Total Score/%	Rank
Tenderer A		40	45.6	85.6	1 st

7.6 Once appointed, the Mechanical Electrical Public Health (MEPH) engineer will be initially focusing on reviewing and concluding engineering designs of homes to be constructed and replacing the existing Tangmere block which is now 90% demolished in collaboration with other consultants (Lead consultant Architect and Structural and Civils Engineers).

8.0 Financial and Value for Money

8.1 Financial provision for the Broadwater Farm New homes programme is included within the refreshed Housing Revenue Account business plan.

8.2 The total scheme costs for Broadwater Farm increased in the latest refresh due to significant build cost inflation. This has been compounded by increasing interest rates which have negatively impacted the overall scheme Net Present Value (NPV).

8.3 The current NPV has a significantly negative impact on the council's overall Housing Revenue Account which in turn puts pressure on other demands within the HRA.

8.4 As such, the project team are working through all available options to improve this position through the next stages of design. The appointment set out in this paper will play a key role in improving the NPV as we enter into a phase of scheme optimisation to improve the scheme NPV.

8.5 Options to do this include (but are not limited to): changing elements of the design to reduce the build cost; looking at opportunities for additional grant; looking at opportunities to add additional units into the build; tackling some areas of design inefficiencies to improve build cost.

8.6 A detailed timetable to undertake this work will be developed once the design team is appointed.

8.7 In respect of this appointment, it is noted that the Council only received one tender. The Council's Cost Consultants have confirmed that the tendered

price is competitive, and the rates are comparable or lower than current market rates. On this basis the tendered sum is considered to offer value for money,

- 8.8 More information on value for money regards to this tender is provided in the exempt section of this report.

9.0 Contribution to the Corporate Delivery Plan 2022-2024 High level Strategic outcomes.

- 9.1 The recommendation in this report contributes to supporting the delivery of the Broadwater Farm programme which contributes to the delivery of the following four priorities set out in the Council's Borough Plan (2019 to 2023) priorities:

- Priority 1 – Housing (“A safe, stable and affordable home for everyone, whatever their circumstances”): the Council wants all its residents to have a safe, stable, and genuinely affordable home, and as such is committed to delivering new Council homes, bringing up the standard of private rented housing, and preventing homelessness. The Council has a strong focus on significantly extending housing options for its residents, including direct delivery of homes and initiatives. The Broadwater Farm new homes will deliver approximately 100 additional council homes and will increase the number of family sized units available, allowing those in overcrowded accommodation to move house.
- Priority 2 – People (“Strong families, strong networks and strong communities nurture all residents to live well and achieve their potential”): As a Borough we are seeking to build the capacity of its communities and focus on a strengths-based approach, which doesn't focus solely on needs and deficits but on assets and qualities at individual, family, and community level. This work is initially focusing on North Tottenham. Early intervention and prevention are at the heart of this, with services being pulled together around the individual linking in with work to integrate health and social care, including through the delivery of Health and Wellbeing Hubs.
- Priority 3 – Place (“A place with strong, resilient and connected communities where people can lead active and healthy lives in an environment that is safe, clean and green”): The Community Safety Strategy 2019-23 sets out how the Council will deliver on its firm commitments to enhanced safety, including support for vulnerable young people from violence, abuse and exploitation in the Young People at Risk Strategy and through programmes such as Haringey Gold. This is complemented by a focus on promoting physical activity which will be delivered through a 'whole system approach', which is proactive in promoting facilities, improved parks and open spaces,

active and safe travel between areas, and direct interventions into schools and communities to promote sports and other activities. Broadwater Farm will strengthen existing public spaces and deliver new ones and include investment into projects which and enable healthy and safe lives for local people.

- Priority 4 - Economy (“A growing economy which provides opportunities for all our residents and supports our businesses to thrive”): Realisation of opportunities for good local business growth and skill and employment growth, in line with the current “community wealth building” approach. The Council approved this approach in October 2019 aimed at supporting the financial and social resilience of the borough’s communities. A new Good Economy Recovery Plan provides a focus on a good economy – good jobs, fairness, health and well-being and environmental sustainability. Broadwater Farm will include significant investment into employment, education, and training opportunities for local people, to connect residents to sustainable and long-term jobs.

10. Carbon and Climate Change

10.1 The energy strategy for the Broadwater Farm development has been developed in line with the energy policies of the London Plan and of the London Borough of Haringey Local Plan policies. Broadwater Farm is expected to meet the minimum 35% CO₂ reduction from on-site measures as required the London Plan policy. Remaining carbon emissions to reach the zero carbon target will be offset by an ‘over-provision’ of new low carbon heating to serve existing dwellings served by the upgraded energy centre.

10.2 The key sustainable design and construction measures incorporated in the BWF new homes scheme are set out below:

- The inclusion of low carbon and renewable technologies through the specifying of air source heat pumps (or alternatively through connection to the Edmonton Energy from Waste centre) and photovoltaics.
- The promotion of sustainable forms of transport through the provision of 592 cycle parking spaces.
- An Increase in the urban greening factor of the estate by providing more community parks, play areas, balconies and terraces and the protection of natural features of ecological value and the improvement of biodiversity on site through on-site landscaping as far as possible.
- Reducing surface water run-off from site through the incorporation of permeable paving and underground attenuation tanks and incorporating large areas of green roofs to enhance the biodiversity and also further reduce surface water run-off. 5.The specification of water efficient fittings to limit water consumption to dwellings to 105 litres/person/day.

- Efficient design of the proposed massing, openings and internal layouts so that spaces benefit from abundant daylight and sunlight levels, whilst overheating and impacts to neighbouring buildings are minimised together with specification of high-performance fabric and glazing to minimise heat losses and insulated pipework and efficient lighting to minimise heat generated internally.
- Minimising on-site NOx emissions and fossil-fuel combustion by specifying low NOx boilers as well as effective pollution management and control.
- The development is not expected to cause any significant adverse effects to air, noise, land, or watercourses.

11.0 Statutory Officers comments (Director of Finance (Procurement), Head of Legal and Governance, Equalities)

11.1 Finance

The report recommends the award of MEPH contract at a maximum sum of £0.66m.

This is based on the amount on the only tender submitted plus stage 3 redesign amount.

This sum can be contained within the approved budget.

Further finance comments are contained in the exempt report.

11.2 Strategic Procurement

Strategic Procurement (SP) note that this report relates to the approval to award a contract to Tenderer A to deliver Mechanical Electrical and Public Health Services for the Broadwater Farm New homes programme.

SP note that this bid opportunity was launched via the LCP's DPS for Professional Services. The adopted procurement is in line with Contract Standing Order (CSO) 9.04.1(b) and Regulation 34 of the Public Contracts Regulations.

We received only one bid which was evaluated in accordance with the scoring methodology contained within the published Invitation to tender document.

The service area's cost consultant has advised that the bid submission received demonstrates value for money.

SP support the recommendation to approve the award in accordance with CSO. 9.07.1 (d)

A further strategic procurement comment is contained in the exempt report.

11.3 Legal

The Assistant Director of Legal and Governance (Monitoring Officer) has been consulted in the preparation of this report.

A tender process has been carried out using the Council's DPS, professional services lot. Use of a DPS is compliant with the Public Contracts Regulations 2015 (Reg 34) and also with the Council's Contract Standing Orders (CSO 9.04.1 b).

Approval of a contract which is a Key Decision would normally fall to Cabinet in accordance with CSO 9.07.1 (d) (contracts valued at over £500,000).

In between meetings of the Cabinet, the Leader may take any such decision or may allocate to the Cabinet Member with the relevant portfolio (CSO 16.02).

The Assistant Director of Legal and Governance confirms that there are no legal reasons preventing the Cabinet Member for Housebuilding, Placemaking and the Local Economy from approving the recommendations in this report.

11.4 Equalities

Having reviewed the Council's Equality Impact Assessment (EQIA) guidance, the need for an EQIA is not considered necessary as the proposed Mechanical Electrical and Public Health (MEPH) consultancy services on the Broadwater Farm Estate, will not have a negative impact on protected groups, or people who are socio-economically disadvantaged.

12. Use of Appendices

12.1 The following reports are appended.

- EXEMPT Approval of contract for Mechanical, Electrical and Public Health (MEPH) Engineering Services to support the Broadwater Farm New Homes Programme.
- Appendix A. Alban LLP Exempt BWF tender recommendation report for Mechanical, Electrical and Public Health (MEPH) services.
- Appendix B. Airey Miller Exempt BWF MEPH tender evaluation report.