



AGENDA ITEM:

SUMMARY

Report for:	Cabinet
Date of meeting:	21st September 2021
Part:	I
If Part II, reason:	

Title of report:	Appointment of Principal Contractor for Paradise Fields (Mountbatten View), Hemel Hempstead and Randall's Ride, Hemel Hempstead Housing Developments.
Contact:	<p>Cllr Margaret Griffiths, Portfolio Holder for Housing</p> <p>Mark Gaynor, Corporate Director Housing and Regeneration</p> <p>Fiona Williamson, Assistant Director Housing</p> <p>Nigel Howcutt, Assistant Director Finance and Resources</p> <p>David Barrett, Housing Development Group Manager</p>
Purpose of report:	<p>To be read in conjunction with Part II.</p> <ol style="list-style-type: none"> 1. To seek approval to award the main contract and appoint a Principal Contractor to construct 58 apartments at Paradise Fields (Mountbatten View), Hemel Hempstead 2. To seek approval to award the main contract and appoint a Principal Contractor to construct 30 apartments at Randall's Ride, Hemel Hempstead. 3. To provide delegated authority to the Council's Assistant Director (Corporate and Contracted Services) to execute and complete all legal agreements ancillary to the JCT Design & Build Contract 2016 and/or reasonably required to complete the Project, including (but not limited to): <ol style="list-style-type: none"> a. all professional appointments; b. collateral warranties; and c. Agreements under S.38, & S.278, of the Highways Act 1980; S.247, Part III of the Town and Country Planning Act 1990;

	S.104 of the Water Industry Act 1991, and S.50 of the New Roads and Street Works Act 1999
Recommendations:	<ol style="list-style-type: none"> 1. That the contract to construct 58 social rented units at Paradise Fields (Mountbatten View), Hemel Hempstead be awarded to Bugler Developments Ltd. 2. That the contracts to construct 30 social rented units at Randall's Ride, Hemel Hempstead be awarded to Bugler Developments Ltd. 3. That delegated authority be approved to the Council's Assistant Director (Corporate and Contracted Services) to execute and complete all legal agreements ancillary to the JCT Design & Build Contract 2016 and/or reasonably required to complete the Project, including (but not limited to): <ol style="list-style-type: none"> a. all professional appointments; b. collateral warranties; and c. Agreements under S.38, & S.278, of the Highways Act 1980; S.247, Part III of the Town and Country Planning Act 1990; S.104 of the Water Industry Act 1991, and S.50 of the New Roads and Street Works Act 1991.
Corporate Objectives:	Delivering Affordable Housing
Implications:	<u>Financial</u> The overall development budget is reviewed strategically as part of the annual review of the Housing Revenue Account Business Plan. Each individual scheme following contract award is subject to close financial monitoring with any variances agreed formally through a change control process
'Value For Money Implications'	<u>Value for Money</u> This has been achieved through a procurement programme involving a tender process using an existing Framework managed by Catalyst Housing.
Risk Implications	<p>Risk assessments are completed within the new build Project Initiation Document (PID) and reviewed and updated on Project Management Office, on a monthly basis.</p> <p>A risk assessment is completed for this project by the Project Manager / Employers Agent and reviewed monthly from the award of the contract.</p>
Community Impact Assessment	A Community Impact assessment is not required. Homes are developed and allocated in line with the demand for social housing and to replicate the criteria for assessment, as set out in the Council's Allocation Policy, which has had a full

	<p>assessment. The developments includes the following wheelchair accessible apartments on the ground floors:</p> <p>Paradise Fields (Mountbatten View) – 6 No. Randall's Ride – 3No.</p>
<p>Health And Safety Implications</p>	<p>Each new build scheme has in place a Principal Designer and Construction Design and Management Regulations (CDM) Advisor. Contractors are required to comply with the Council's Health and Safety (H&S) policy along with Considerate Constructors requirements.</p> <p>Health & Safety is identified as a key risk of the Housing Service and is reported to the Council's Housing and Communities Overview and Scrutiny Committee on a quarterly basis. To ensure compliance monthly site checks carried out on behalf of DBC as the client to ensure adherence to H&S procedures.</p>
<p>Monitoring Officer/S.151 Officer Comments</p>	<p>Deputy Monitoring Officer:</p> <p>The proposed contract award follows a competitive and compliant tender process which demonstrates that the Council is receiving value for money for the contract.</p> <p>Deputy S.151 Officer</p> <p>The award of these 2 contracts follows an open tender process and the selection has resulted in the bids that provided the greatest value for money being selected.</p> <p>The contract awards are in excess of pre-tender estimates due to the increasing pressures on the construction sector, supply chain and resources, and this would appear a growing trend. Although these projects are very much part of the HRA business plan and are affordable within existing approved new build development budgets.</p> <p>A continuation of increases in construction costs will be closely monitored and could have an impact on the future development programme. The HRA business plan will undergo its annual review shortly as part of the budget setting process and impacts will be assessed.</p>
<p>Consultees:</p>	<p>Mark Gaynor, Corporate Director Housing and Regeneration</p> <p>James Deane, Corporate Director Finance & Operations</p> <p>Fiona Williamson, Assistant Director Housing</p> <p>Nigel Howcutt, Assistant Director Finance and Resources</p>

	David Barrett, Group Manager, Housing Development Caroline Souto, Financial Planning & Analysis Team Leader, Financial Services Andrew Linden, Team Leader, Commissioning, Procurement & Compliance
Background papers:	Consultant's report dated August 2021 from Calford Seaden for Paradise Fields (Mountbatten View). Consultant's report dated 23/08/2021 from Summers Inman for Randall's Ride.
Glossary of acronyms and any other abbreviations used in this report:	HRA Housing Revenue Account ITT Invitation to Tender JCT Joint Contract Tribunal SQ Separate Pre- Qualification PID Project Initiation Document CDM Construction Design and Management Regulations H&S Health and Safety

1. Background

1.1 Since 2013, the Council has delivered 338 new Council homes in the Borough.

Table 1. Properties delivered to date

Scheme	Tenure	No. of units	Completion	Site source
The Elms	TA	41	2015	Council
Longlands	Social rent	6	2015	Council
Farm Place	Social rent	26	2015	Council
St Peters	Social rent	9	2015	Private
Aspen Court	Social rent	36	2016	Private
Queen Street	Social rent	6	2016	Council
Able House	Social rent	14	2017	Private
Kylna Court	Social rent	79	2019	Private
Corn Mill Court	Social rent	12	2019	Private
Williams House	TA	6	2020	Council
Howe Grove House	TA	6	2020	Council
Bingham Mews	Social rent	3	2020	Council
Magenta Court	Social rent	29	2020	Private
Martindale	Social rent	44	2020	Private
	Private sale	21		
TOTAL		338		

1.2 The Council already has both a good record of achievement on delivery of new homes to date and a strong pipeline of new schemes programmed. The lifting of the borrowing cap on the HRA has presented an opportunity to accelerate delivery and enable a sustainable ongoing development programme.

Table 2. Properties currently in construction

Scheme	Tenure	No. of units	Completion	Site source
Coniston Road	Social Rent	10	Spring 2022	Council
Eastwick Row	Social Rent	36	Winter 2022/23	Council
TOTAL		46		

Table 3. Planning Permissions Granted

Scheme	Tenure	No. of units	Scheduled for Completion	Site Source
Paradise Fields (Mountbatten View)	Social Rent	58	2023	Private
Randall's Ride	Social Rent	30	2023	Council
Dione Road Garage Site	Social Rent	4	2023	Council
Housewood End Garage Site	Social Rent	3	2023	Council
Beechfields Garage Site	Social Rent	4	2023	Council
Sempill Road (West) Garage Site	Social Rent	6	2023	Council
Sleddale Garage Site	Social Rent	8	2023	Council
Wilstone	Social Rent	6	2023	Council
TOTAL		119		

2. Paradise Fields (Mountbatten View), Hemel Hempstead

- 2.1 This report seeks approval for the appointment of the Principal Contractor to construct new Council homes at Paradise Fields (Mountbatten View).
- 2.2 The Council acquired the land from Homes England with a view to develop Paradise Fields using Housing Revenue Account resource. The proposals include three blocks of 58 apartments which will provide an ongoing rental income revenue stream.
- 2.3 After a public consultation, a planning application was submitted in August 2020 for consideration and comprised 58 No. one and two bed apartments contained in three separate blocks. The proposed development also included communal areas and adequate parking spaces to meet Dacorum Borough Council's Parking Standards. Planning permission was agreed by the Planning Committee in December 2020.
- 2.4 The design of this scheme will maximise the energy efficiency performance of the building fabric, reducing the energy demand for space heating. The design also includes the use of solar PV array which will be connected to the landlord's supply in the apartment block to reduce the electricity grid demand for the communal lighting, plant and lifts.

Please see attached **Appendix A1** for a proposed site layout of the scheme.

3. Randall's Ride, Hemel Hempstead

- 3.1 This is an existing housing scheme owned by Dacorum Borough Council and managed by the Housing Service.
- 3.2 The Council has agreed to re-house existing tenants elsewhere within the Borough,

demolish the existing buildings / garages and redevelop the site. The proposals include two blocks with a total of 30 apartments which will provide an ongoing rental income revenue stream.

- 3.3 After a public consultation, a planning application was submitted in December 2020 for consideration and comprised 30 No. one and two bed apartments contained in two separate blocks. The proposed development also included communal areas and adequate parking spaces to meet Dacorum Borough Council's Parking Standards. Planning permission was agreed by the Planning Committee in April 2021.
- 3.4 The design of this scheme will maximise the energy efficiency performance of the building fabric, reducing the energy demand for space heating. The design also includes the use of solar PV array which will be connected to the landlord's supply in the apartment block to reduce the grid electricity demand for the communal lighting, plant and lifts.

Please see **Appendix B1** for a proposed site layout of the scheme.

4 Procurement Process for Paradise Fields and Randall's Ride

- 4.1 As the estimated construction cost for each contract was over £4.7m, an OJEU compliant tender process was required. Following a review of the options with the Council's Procurement Officer, it was agreed that the contracts would be tendered using an existing Framework managed by Catalyst Housing.
- 4.2 Expressions of Interest notifications were advertised on the Framework. Four responses were received for Paradise Fields (Mountbatten View) and three responses were received for Randall's Ride. Following an evaluation process and financial checks, there were four contractors who were eligible to proceed to the Invitation to Tender (ITT) for Paradise Fields (Mountbatten View) and three contractors eligible to proceed for Randall's Ride.
- 4.3 In April 2021, four contractors were invited to tender for the Paradise Field (Mountbatten View) contract and in June 2021, three contractors were invited to tender for the Randall's Ride contract. Their submissions were received on 16th July 2021 and 21st July 2021 respectively and were scored in line with the scoring methodology set out in the ITT documentation. The scoring was completed by the Housing Development Team and the Employers Agent.
- 4.4 Final clarifications were received from all the bidders and, as a result of a robust scoring process of the qualitative responses, it was recommended that Bugler Developments Ltd. would be invited for a tender clarification interview to confirm their bid position for both contracts.
- 4.5 The highest scoring bids were from Bugler Developments Ltd. who submitted compliant submissions for both contracts.
- 4.6 A financial assessment was carried out by the Council's Finance Department based on the bidders set of accounts (last 3 financial years) and a credit reference report. The highest scoring bidder passed this financial assessment.
- 4.7 The scoring methodology to adjudicate tenders relate to quality and technical merit (equating to 60% of the overall marks available) and the pricing element (equating to 40% of the overall marks available).

5. Recommendations

- 5.1 To award the main contract to construct 58 new social rented units at Paradise Fields (Mountbatten View) to Bugler Developments Ltd.
- 5.2 To award the main contract to construct 30 new social rented units at Randall's Ride to Bugler Developments Ltd.
- 5.3 To approve delegated authority to the Council's Assistant Director (Corporate and Contracted Services) to execute and complete all legal agreements ancillary to the JCT Design & Build Contract 2016 and/or reasonably required to complete the Project, including (but not limited to):
 - a. all professional appointments;
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