



Contract Award Recommendation

FOR

GLA 80885 Webbs Land Development Partner

TfL Restricted

SUBMITTED BY:	[REDACTED]
Value:	Anticipated financial return to the GLA of [REDACTED] (with an NPV of [REDACTED])
Date:	17/08/2017

**Transport for London Record Sheet – Approval and Consultation**

Ref No: GLA 80885

Transport for London Record Sheet

To approve the award of the contract detailed within this paper for Webbs Land Development Partner and the granting of Delegated Procurement Authority in relation to this contract.

Cross Business Review with Stakeholders

Name				
Directorate	TfL Legal	GLA Housing and Land Directorate	GLA Housing and Land Directorate	GLA Housing and Land Directorate
Decision	Agree	Agree	Agree	Agree
Any Interests declared?	No	No	No	No

Approval

By signing below approvers confirm that they have no business interests in any organisation that has submitted a tender.

Name	Signature	Date
Commercial Manager Author		18/08/17
Senior Commercial Manager		18/08/17
Head of Commercial – Corporate Services		



Assurance		
Forum	Attendees	Date
Strategy Evaluation and Award Review (SEAR)		17/08/2017



Contract Award Recommendation

1. Introduction / Executive Summary

- 1.1 This paper seeks approval to proceed with the award of the Webbs Land Development procurement to Catalyst Housing Ltd (Catalyst).
- 1.2 A competitive tender process (Mini-Competition) was carried out using the London Development Panel (LDP) Framework to identify a land development partner for the regeneration of the Webbs site at Blackhorse lane in Waltham Forest. Catalyst were assessed as providing the most economically advantageous tender and are therefore recommended for award of the contract.
- 1.3 Catalyst will be contracted as the development partner for the regeneration and estate management of the Webbs site. Development activity will include the creation of residential and employment space, public realm and ancillary uses.

2 Summary of Contract

Value including any options:		Initial contract value:	
Contract duration:	5 years and 7 months (Completion March 2023)		
Contract type:	Call-Off	Nature of the procurement:	Works
Terms and Conditions used:	LDP Framework Terms and Conditions	Special terms or considerations:	N/A
Is this a call-off from a current framework?	Yes – GLA Framework	If yes, which Framework?	London Development Panel (LDP)
UK Legislation that Applies (irrespective of value):	Public Contract Regulations 2015 (PCR 2015)	Number of Lots:	1
What Category / Categories does this cover? [category hierarchy]	Secondary Revenue – Property Development	Is a Category Plan in place? If yes, which one(s)?	No – Category plan in progress
Business Units this contract will cover:	GLA		
Contracting authority details:	Greater London Authority (GLA) - City Hall, Queen's Walk, London SE1 2AA		

**Successful
tenderer details:**

Catalyst Housing Ltd - Ealing Gateway, 26-30 Uxbridge Road, LONDON,
W5 2AU (Company Number - 16561R)

3 Adherence to Procurement Strategy

3.1 Summary

A summary of the background of this procurement can be found in the approved Procurement Strategy attached as **Appendix A**. There were no deviations from the approved Procurement Strategy.

4 Supplier Selection and Evaluation

4.1 Expression of Interest (EOI)

- In line with the prescribed LDP Mini-Competition process an Expression of Interest (EOI) request was issued on 12 April 2017 with responses required by 21 April 2017.
- 13 LDP panel members expressed an interest in receiving the sifting brief including: Affinity Homes Construction Ltd & Clarion Housing Group, Ardmore First Base Partnership Ltd, Bellway Homes Ltd, Bouyges UK Ltd, Carillion Igloo & Genesis, Catalyst Housing Ltd, Family Mosaic Home Ownership & Mulalley, Galliford Try PLC, Hadley Mace Holdings Ltd, Higgins Construction PLC, London and Quadrant, Lovell and Wates.

4.2 Sifting Brief Stage

- The sifting brief was issued to all bidders who expressed an interest on 24 April, with a return deadline of 9 May 2017.
- Bidders were asked to provide responses to seven questions which assessed their understanding of the key site constraints, project risks, the proposed project team and understanding of the local market context. The questions were used as a basis for shortlisting to the Invitation to Tender (ITT) stage.
- The sifting brief questions can be viewed in **Appendix B**.
- Ten of those who expressed an interest at the EOI stage submitted a tender response on 9 May 2017. Responses were received from: Affinity Homes Construction Ltd & Clarion Housing Group, Ardmore First Base Partnership Ltd, Bellway Homes Ltd, Carillion Igloo & Genesis, Catalyst Housing Ltd, Family Mosaic Home Ownership & Mulalley, Galliford Try PLC, Hadley Mace Holdings Ltd, London and Quadrant and Wates.



- The five highest scoring bidders were shortlisted and taken through to the ITT stage. The shortlisted bidders were: Carillion Igloo & Genesis, Catalyst, Family Mosaic Home Ownership & Mulalley, Hadley Mace Holdings Ltd and Wates.

4.3 Invitation to Tender (ITT) Stage

- The ITT was issued to the five shortlisted bidders on 18 May 2017.
- Tender submissions were received from all five bidders on 7 July 2017.
- At the ITT stage bidders were assessed on their financial and technical solutions. A Technical:Commercial (Price) ratio of 60:40 was used to determine the overall scoring of tender submissions.
- The following evaluation modules and weightings were used at the ITT stage:

Submission	Category weighting	Module name	Overall ITT Weighting
Technical	60%	Placemaking, Design & Delivery	10%
		New and Affordable Housing	10%
		Commercial Development	10%
		Project Team Approach and Project management	5%
		Programme	10%
		Approach to Gaining Planning Permission	5%
		Approach to Long Term Management	5%
		Project Risk Assessment and Management	5%
Financial (Commercial)	40%	Guaranteed Minimum Land Payment (Financial Offer)	25%

Submission	Category weighting	Module name	Overall ITT Weighting
		Overage	5%
		Financial Appraisal	10%
Development Agreement	Pass/Fail	Development Agreement	Pass/Fail

- The tender results for the ITT stage can be viewed in Section 4.4.

4.3.1 Technical Evaluation

- Comments and scoring justification was recorded by each individual evaluator on the technical submissions. This was then discussed at consensus meetings to generate consensus scores.
- The initial technical Consensus meeting was held on 26 July.
- Bidder clarification meetings and presentations were then held at City Hall on 7 and 8 August 2017.
- Following the clarification sessions a final consensus meeting was held on 8 August 2017 to agree evaluation scores on the basis of any clarifications.
- Details of the tender evaluation panel can be found in **Appendix D**.

4.3.2 Financial Evaluation

- The evaluation of financial offers, overage proposals and financial appraisals was undertaken by external advisors from GL Hearn Ltd.
- Financial consensus meetings were held on 26 July and 8 August 2017, where the proposed evaluation scores and rationale were discussed, moderated and agreed with the GLA evaluation team.
- The assumptions presented by the external advisors were discussed with the GLA evaluation team and clarifications regarding bidders' submissions were issued via email (due to the expiry of the European Dynamics etendering system).
- Following clarification and final moderation the relevant values were entered into the prescribed financial model to generate overall financial evaluation scores and these were then weighted as a percentage of the financial element.
- A breakdown of the financial evaluation scores is provided in **Appendix C**.



4.4 Tender Results

The table overleaf provides the high level scoring from the **Sifting Brief** stage of the tender process:

Bidder	Total Score	Ranking
	85	1
	84	2
	79	3
	78	4
Catalyst Housing Ltd	76	5
	72	6
	71	7
	70	8
	67	9
	55	10

The table below provides the high level scoring from the **Invitation to Tender** stage of the tender process:

Supplier	Technical Score	Commercial Score	Overall Score	Ranking
Catalyst (Winning Bidder)	46	24.3	70.3%	1
	41	25.4	66.4%	2
	39	18.6	57.6%	3
	37	18.5	55.5%	4
	34	16.5	50.5%	5

A full breakdown of tender results at the ITT stage is included in **Appendix C**.



4.5 Conflicts of Interest

GL Hearn Ltd was appointed in April 2017 to provide commercial property advice to the GLA regarding the disposal of the Former Webbs Industrial Estate. GL Hearn Limited are a segregated part of Capita Real Estate & Infrastructure, a division of Capita plc, who were subsequently identified to be advising an LDP panel member, Hadley. This was brought to the GLA's attention on 18 May 2017 in an email from GL Hearn.

To prevent any perceived, or actual, conflict of interest arising TfL mandated that GL Hearn sign up to enhanced conflict of interest and confidentiality provisions. GL Hearn were required to demonstrate that separate document management and governance systems were in place, providing an effective ethical wall for the duration of their appointment. The following provisions were enacted by GL Hearn:

- Personal confidentiality/integrity agreements between GL Hearn officers providing advice and the GLA;
- Enhanced confidentiality provisions in the services agreement between GL Hearn Limited and the GLA;
- Enhanced verification of any GL Hearn evaluation input.

TfL Legal and the GLA's external legal advisors, Dentons LLP were consulted on this matter and were satisfied with the provisions put in place. All bidders were also notified of the provisions put in place through a tender broadcast issued on 20 June 2017.

5 Financial Authority

5.1 Availability of Funding

The selected supplier will be responsible for providing/obtaining all funding necessary for all the costs relating to the development, construction and completion of the whole of the proposed scheme. The GLA will not incur costs in the delivery of the development.

A Guaranteed Minimum Land Value (GMLV) of [REDACTED] will be payable to the GLA in the form of phased land payments. The anticipated financial return excludes any 'Area overage' which may become payable to the Contracting Authority where additional planning consents are granted.



6 Contract Management

6.1 Contract Management Plan

Contract management will be split into Commercial and Operational elements. The Operational/Project Management of the Contract will be managed and monitored by the appointed Contract Manager [REDACTED] within the GLA Housing and Land Directorate. TfL Corporate Services will continue to provide commercial advice and support for the duration of the contract.

6.2 Subcontracting

[REDACTED] (Registered Charity Number: [REDACTED])

7 Next Steps

Action	Date
Award contract	23/08/2017
Finalisation and signature of the Development Agreement	23/08/2017 – 07/11/2017

Appendices

Appendix A: Procurement Strategy



GLA 80885
Procurement Strategy

Appendix B: Sifting Brief Questions

Question	Weight
Bidders should set out clearly whether inclusion of the land edged blue in the plan is integral to their proposal for to deliver this project. The inclusion of this land will be confirmed at ITT.	10%
How would you deal appropriately with site development constraints on the site– specifically services, a culvert and utility infrastructure, while maximising the development potential and viability of the site?	15%
Demonstrate your understanding of the local market context and market potential for the site and how this informs your approach to development density and residential typologies	15%
How would you look to achieve the delivery of a scheme (in accordance with Paragraphs 5.1 and 5.2 above) where 100% of the homes are affordable on the site whilst maximising the value achieved for all parties?	20%
How would you approach the design and delivery of workspace to ensure it meets the requirements of intended operators and future occupiers?	20%
Identify the key risks in undertaking and completing the project and set out your strategy for mitigating these risks (where mitigation is possible)?	10%
Describe the team, and consultants, you intend to assemble for this project and outline how this team's relevant skills and experience will be applied to achieve the GLA's objectives (as set out in Paragraph 5.1 above) and increase speed of delivery at the site. (Please DO NOT submit CVs)	10%



Appendix C: ITT Evaluation Scores

ITT - Financial Evaluation Scores

Commercial Module	Evaluation Weighting	Evaluation - Consensus Scores			
			Catalyst Housing		
Guaranteed Minimum Land Payment	25%	8.75	16.25	10	17.5
Overage	5%	3.75	0	2.5	1.87
Financial Appraisal	10%	4	8	6	6
Total Financial Score	40%	16.5	24.25	18.5	25.37

ITT - Technical Evaluation Scores

Technical Evaluation - Consensus Scores									
Technical Module	Evaluation Weighting	Threshold Score		Weighted Score	Catalyst Housing	Weighted Score		Weighted Score	Weighted Score
Placemaking, Design & Delivery	10%	2	3	6	5	10	3	6	4
New and Affordable Housing	10%	2	3	6	4	8	3	6	3
Commercial Development	10%	2	3	6	4	8	3	6	3
Project Team Approach and Project management	5%	2	3	3	3	3	3	4	4
Programme	10%	2	3	6	4	8	3	6	3
Approach to Gaining Planning Permission	5%	2	2	2	3	3	3	3	3
Approach to Long Term Management	5%	2	2	2	3	3	3	3	4
Project Risk Assessment and Management	5%	2	3	3	3	3	4	4	4
Total weighted score (Out of 60%)	-	2		34	-	46	-	37	41

**Appendix D: Tender Evaluation Panel**

Name	Position	Department	Declaration of Interest Completed?
[REDACTED]	Senior Area Manager (North East London)	Housing and Land Directorate (GLA)	Yes
[REDACTED]	Head of Area (North East)	Housing and Land Directorate (GLA)	Yes
[REDACTED]	Area Manager (North East London)	Housing and Land Directorate (GLA)	Yes
[REDACTED]	External Advisor	GL Hearn	Yes
[REDACTED]	External Advisor	GL Hearn	Yes

