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Contract

Havering estate regeneration partner - property/asset JV company

London Boroug of Havering

F25: Concession award notice

Notice identifier: 2021/S 000-007669

Procurement identifier (OCID): ocids-h6vhtk-02a566

Published 13 April 2021, 10:31am

Section I: Contracting authority/entity

I.1) Name and addresses

London Boroug of Havering

Town Hall,Main Road

ROMFORD

RM13BB

Contact

Jumaa Sudi

Email

jumaa.sudi@onesource.co.uk

Telephone

+44 1708433336

Country

United Kingdom

NUTS code

UKI52 - Barking & Dagenham and Havering

Internet address(es)

Main address

www.havering.gov.uk

I.4) Type of the contracting authority

Regional or local authority

I.5) Main activity

General public services

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Havering estate regeneration partner - property/asset JV company

II.1.2) Main CPV code

- 45211340 - Multi-dwelling buildings construction work

II.1.3) Type of contract

Works

II.1.4) Short description

[?08/?04/?2021 14:52] Adam Bevan:

LB of Havering ('the Council') entered into a contract for up to 30 years for a partner to form a long-term corporate joint venture ('JV') property vehicle to secure investment and expertise to deliver Havering's housing led regeneration strategy, entered into 27 April 2018 ('the Contract'). The opportunity was advertised in OJEU (2017/S 094-185114) and procured under the Concession Contracts Regulations 2016. Further details of the original Contract are in that OJEU Notice. The Contract includes a Members' Agreement (MA) and Development Agreement (DA) with the JV LLP and other ancillary documents.

II.1.5) Estimated total value

Value excluding VAT: £1,177,000,000

II.1.6) Information about lots

This concession is divided into lots: No

II.1.7) Total value of the procurement (excluding VAT)

Value excluding VAT: £1,177,000,000

II.2) Description

II.2.2) Additional CPV code(s)

- 45111000 - Demolition, site preparation and clearance work

- 45112700 - Landscaping work
- 45112710 - Landscaping work for green areas
- 45112711 - Landscaping work for parks
- 45211300 - Houses construction work
- 45211341 - Flats construction work
- 45211350 - Multi-functional buildings construction work
- 45211360 - Urban development construction work
- 45212000 - Construction work for buildings relating to leisure, sports, culture, lodging and restaurants
- 45213100 - Construction work for commercial buildings
- 45213112 - Shop units construction work
- 45213150 - Office block construction work
- 45223300 - Parking lot construction work
- 65300000 - Electricity distribution and related services
- 70000000 - Real estate services
- 71000000 - Architectural, construction, engineering and inspection services
- 73220000 - Development consultancy services
- 79410000 - Business and management consultancy services
- 90712100 - Urban environmental development planning

II.2.3) Place of performance

NUTS codes

- UKI52 - Barking & Dagenham and Havering

Main site or place of performance

The London Borough of Havering

II.2.4) Description of the procurement

[?08/?04/?2021 15:07] Adam Bevan:

Further info is at

https://www.havering.gov.uk/downloads/download/876/veat_notice_supplement_documents

The Council has:

- 1) Made additional GBP 58.3 million equity funding available to JV. Also, refreshed JV business plan (BP) to include Council forward funding of GBP 45.4 million for phase 1 (in the light of additional 53 affordable housing units and reduction of open market units from 1085 to 934, changes to design and other factors).
- 2) Refreshed JV BP to remove Delta estate.
- 3) Refreshed JV BP to include addition of further sites.
- 4) Amended DA to bring forward timing of demolition of Waterloo Estate and Council providing additional £7.8m financing in place of debt funding (some changes to be made by variation to the DA and a new supplemental dev agreement with JV).

II.2.5) Award criteria

Concession is awarded on the basis of the criteria described below:

- Criterion: Concession is awarded on the basis of the criteria stated in the procurement documents

II.2.7) Duration of the concession

Duration in months

360

II.2.14) Additional information

The duration field takes account of the fact that the concession started on the 11/12/2020.

Section IV. Procedure

IV.1) Description

IV.1.1) Form of procedure

Award procedure without prior publication of a concession notice in the cases listed below

- The procurement falls outside the scope of application of the regulations

Explanation:

The procurement falls outside the scope of application of the directive.

Assessed individually and cumulatively, items 1-5 (as referred to in II.2.4) are all within the scope of the original OJEU/procurement and would not have affected the outcome ('Procurement Outcome').

The Council additionally/alternatively relies on Reg43(1)(a) (clear, precise, unequivocal review clauses), (c) (unforeseeability), (e) (non substantial amendments - i.e. there is no material change in character of the contract, no considerable extension of scope, no distortion of competition and no change in the economic balance in favour of the contractor) and also Reg 31(6)(b)(ii) as further described below:

The forward funding described in Change 1 and also Changes 2 and 3 are part of the annual business plan refresh, are within procurement scope and do not result in a change to the Contract.

1) Re. additional equity funding: there is no increase in the Council's peak net investment, no impact on the risk profile and no change in the economic balance. No change to the contract.

Re. forward funding: this is required due to a stagnant housing market eroding land value (impacting viability), build cost inflation, design enhancements, reduction in private sale cross subsidy and more affordable and family sized housing. These features would have applied to all bidders and the Council considers the Procurement Outcome would not have been impacted. Further, schedule 8, para 1.3 included scope to adjust Low Cost Unit Sum pursuant to VFM Standard and Code of Practice of Homes and Communities Agency.

2) Re. removal of the delta estate from current programme; this is a development phasing detail as no commitment was made to developing out the delta estate at this point in time, it was not tested as a sample scheme during the procurement process. Neither bidding behaviour nor Procurement Outcome would have been impacted.

3) Re. additional sites, these were within the OJEU notice scope and are similar to the sample sites tested as part of the procurement. Their delivery is consistent with financial and technical commitments in the tender to apply to subsequent schemes. The addition of further sites was transparently set out in the procurement documentation, is subject to an agreed mechanism and was incorporated into the evaluation questions. The Council alternatively relies on Reg 43(1)(a) (clear, precise, unequivocal review clauses).

IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: Yes

IV.2) Administrative information

IV.2.1) Previous publication concerning this procedure

Notice number: [2017/S 094-185114](#)

Section V. Award of concession

Title

Havering Estate Regeneration Partner - Property/Asset JV Company

A concession/lot is awarded: Yes

V.2) Award of concession

V.2.1) Date of concession award decision

11 December 2020

V.2.2) Information about tenders

Number of tenders received: 1

The concession has been awarded to a group of economic operators: No

V.2.3) Name and address of the concessionaire

Wates construction Ltd

Leatherhead

Country

United Kingdom

NUTS code

- UKJ2 - Surrey, East and West Sussex

The concessionaire is an SME

No

V.2.4) Information on value of concession and main financing terms (excluding VAT)

Total value of the concession/lot: £1,177,000,000

Section VI. Complementary information

VI.4) Procedures for review

VI.4.1) Review body

The high court of justice

London

Country

United Kingdom