

This notice in TED website: <https://ted.europa.eu/udl?uri=TED:NOTICE:497669-2020:TEXT:EN:HTML>

**United Kingdom-Romford: Multi-dwelling buildings construction work
2020/S 204-497669**

Voluntary ex ante transparency notice

Works

Legal Basis:

Directive 2014/23/EU

Section I: Contracting authority/entity

I.1) Name and addresses

Official name: London Borough of Havering
Postal address: Town Hall, Main Road
Town: Romford
NUTS code: UKI52 Barking & Dagenham and Havering
Postal code: RM1 3BD
Country: United Kingdom
E-mail: Maria.Faheem@havering.gov.uk

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:

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.

The Council intends to make additional funding available, refresh the JV's business plan and modify the DA. Further information can be found in the Council's supplement document, at the web address in section II.2.4) below.

The information in the supplement document should be read in conjunction with this notice and both documents should be considered as a whole.

II.1.6) **Information about lots**

This contract is divided into lots: no

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

Value excluding VAT: 1 177 000 000.00 GBP

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
70110000 Development services of real estate
70111000 Development of residential real estate
70121100 Building sale services
70331000 Residential property services
70332200 Commercial property management services
71000000 Architectural, construction, engineering and inspection services
71200000 Architectural and related services
71222000 Architectural services for outdoor areas
71313400 Environmental impact assessment for construction
71313420 Environmental standards for construction
71314200 Energy-management services
71314300 Energy-efficiency consultancy services
71315200 Building consultancy services
71315300 Building surveying services
71410000 Urban planning services
71420000 Landscape architectural services
71500000 Construction-related services
71520000 Construction supervision services

71521000 Construction-site supervision services
73220000 Development consultancy services
79410000 Business and management consultancy services
79412000 Financial management consultancy services
79418000 Procurement consultancy services
90712100 Urban environmental development planning

II.2.3) **Place of performance**

NUTS code: UKI52 Barking & Dagenham and Havering
Main site or place of performance:
The London Borough of Havering.

II.2.4) **Description of the procurement:**

Further info is at https://www.havering.gov.uk/downloads/file/4215/appendix_3_veat_notice_supplement_document_-_havering_-_12_estates_renewal.

The Council intends to:

- 1) Make additional GBP 58.3 million equity funding available to JV. Also, to refresh 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) Refresh JV BP to remove Delta estate.
- 3) Refresh JV BP to include addition of further sites.
- 4) Amend 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).

Continued in VI.3 (Additional Information).

II.2.5) **Award criteria**

II.2.11) **Information about options**

Options: no

II.2.13) **Information about European Union funds**

The procurement is related to a project and/or programme financed by European Union funds: no

II.2.14) **Additional information**

Est value in II.1.7) and V.2.4) is projected value of proposed modified contract.

Section IV: Procedure

IV.1) **Description**

IV.1.1) **Type of procedure**

Award of a contract without prior publication of a call for competition in the Official Journal of the European Union in the cases listed below

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

Explanation:

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).

Explanation continues in VI.4.3) Review procedure

IV.1.3) Information about framework agreement

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 in the OJ S: [2017/S 094-185114](#)

Section V: Award of contract/concession

V.2) Award of contract/concession

V.2.1) Date of contract award decision:

27/04/2018

V.2.2) Information about tenders

The contract has been awarded to a group of economic operators: no

V.2.3) Name and address of the contractor/concessionaire

Official name: Wates Construction Ltd

Postal address: Wates House, Station Approach

Town: Leatherhead

NUTS code: UKJ2 Surrey, East and West Sussex

Postal code: KT22 7SW

Country: United Kingdom

Internet address: <https://www.wates.co.uk/>

The contractor/concessionaire will be an SME: no

V.2.4) Information on value of the contract/lot/concession (excluding VAT)

Initial estimated total value of the contract/lot/concession: 800 000 000.00 GBP

Total value of the contract/lot/concession: 1 177 000 000.00 GBP

V.2.5) **Information about subcontracting**

The contract/lot/concession is likely to be subcontracted

Section VI: Complementary information

VI.3) **Additional information:**

Continued from II.2.4) (Description of the procurement):

5) Amend DA for Council to purchase all 197 units in Napier House and New Plymouth House development ('NNP'). Refresh JV BP: payment for NNP will now be build contract sum approach (as opposed to fixed price per unit).

6) Amend DA so that development can commence in relation to the three Phase 1 sites (Napier and New Plymouth; Solar, Serena and Sunrise Courts and Waterloo Estates) to allow each site to be drawn down independently for development rather than together when site conditions have been met for all three sites. Council intends to refresh the BP, modify the DA, enter into funding agreements and a supplemental DA.

VI.4) **Procedures for review**

VI.4.1) **Review body**

Official name: Royal Courts of Justice

Postal address: Strand, Holborn

Town: London

Postal code: WC2A 2LL

Country: United Kingdom

VI.4.3) **Review procedure**

Precise information on deadline(s) for review procedures:

In accordance with Regulation 49-64 (Applications to the Court) of the Concession Contracts Regulations 2016 ('CCR').

Cont from Annex D4 (expl. for type of procedure) (Section IV.1.1.):

4: OJEU notice contained demolition CPV and DA included demolition obligations. Council considers that bringing forward demolition and GBP 7.8 million financing would not impact on Proc Outcome and is needed to expedite delivery and avoid additional costs. A change will be made to DA and a new supplemental DA entered into re. this item alone. The procurement of an alternative contractor would have legal and financial ramifications for Council, would stall the 12 Site Regeneration Programme and would not be a reasonable alternative. The Council therefore further relies on Reg 31(6)(b)(ii).

5: Re. purchase of units and payment for NNP, Council also relies on: Reg 43(1)(c) - both changes are reasonable and proportionate response to Covid (and needed to ensure the dev remains viable in current uncertain housing market). As per PPN01/20, changes are limited. The changes do not alter overall nature nor exceed original value by more than 50 %; Reg 43(1)(e) - NNP represents under 6 % of expected unit outputs. Re. build contract sum, the Council is accepting the risk of cost overruns, but any change will not be substantial and surveys provide assurance on this. No impact on Proc Outcome; Reg 43(1)(a) – contract stated price to be paid on Practical Completion but envisaged a change could be made if provided in BP or agreed between parties.

6. The DA links 3 Sites (Napier New Plymouth, Serena Sunrise and Waterloo Phase 1) into Stage 1 and requires that the pre-conditions be satisfied in relation to all 3 sites and that the sites be drawn down together for development. The DA is being varied to allow each of the Stage 1 Sites to be drawn down separately (in an order to be agreed between the parties) rather than all of Stage 1 having to be drawn down together. No impact on Proc Outcome Reg. 43(1)(e) in terms of the requirement to build out all 3 sites remaining in place and it is still proposed that they will be developed in close proximity in programme.

Further information can be found in the Council's supplement document.

VI.5) **Date of dispatch of this notice:**
15/10/2020