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REPORT OF  
The Strategic Director for Place  
TO  
Procurement Board  
ON  
1<sup>st</sup> July 2020

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TITLE: Approval for the outcome of the mini-competition (Stage 1) procurement process conducted through the Homes England Framework Northwest to award the contract to G & J Seddon Limited as constructor partner to design and build housing projects across a number of sites

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**RECOMMENDATION:**

That the Procurement Board :-

- (a) Approve the award of the following Stage 1 contract for a project approved under the current Capital Programme in accordance with the following:-
  - (i) Following the outcome of a mini-competition (Stage 1) procurement process conducted through the Homes England Framework Northwest the Procurement Board approve the award of the contract to G & J Seddon Limited as constructor partner to design and build housing projects across a number of sites. G & J Seddon Limited's submission produced a normalised evaluation score of 89.00% and represents best value to the Council.
  - (ii) Approves that delegated officers are delegated to progress with the constructor partner the selection of a design and finalising costs for the delivery of the projects in line with the agreed budget as Stage 2 of the procurement process.
  - (iii) Approves that a pre-construction agreement be issued to cover the period between July 2020 up to when the formal contract is executed.

- (iv) Authorises that interim payments up to the value of £521,000 be made under the terms and conditions of the pre-construction agreement with G & J Seddon Limited for advance works costs accrued up to the agreement of a contract under the Stage 2 process.

Detail required	Answers
<b>Title/Description of Contracted Service/Supply/Project</b>	Design and Build Contract for a Range of Housing Projects
<b>Name of Successful Contractor</b>	G & J Seddon Limited
<b>Supplier Registration Number</b> <i>(to be supplied by Corporate Procurement)</i>	00172081
<b>Type of organisation</b> <i>(to be supplied by Corporate Procurement)</i>	Private Limited Company
<b>Status of Organisation</b> <i>(to be supplied by Corporate Procurement)</i>	SME
<b>Contract Value</b>	£521,000   Full Project £765,000
<b>Contract Duration</b>	To be agreed
<b>Contract Start Date</b>	To be agreed
<b>Contract End Date</b>	To be agreed
<b>Optional Extension Period 1</b>	months
<b>Optional Extension Period 2</b>	months
<b>Who will approve each Extension Period?</b>	N/A
<b>Contact Officer (Name &amp; number)</b>	Les Woolhouse 0161 779 4961
<b>Lead Service Group</b>	Place
<b>How the contract was procured?</b> <i>(to be supplied by procurement)</i>	Mini Competition
<b>Framework Details (where applicable)</b> <i>(procurement body, framework reference &amp; title, start/ end date)</i>	Homes England Framework Northwest
<b>Funding Source</b>	Capital Programme
<b>Ethical Contractor</b>	Mayor's Employment Charter Committed to sign up to charter <input checked="" type="checkbox"/>
	Accredited Living Wage Employer <input checked="" type="checkbox"/>

## EXECUTIVE SUMMARY:

The purpose of this report is to seek approval for the award of the above mentioned contract.

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## BACKGROUND DOCUMENTS (NOT OPEN TO THE PUBLIC)

Exempt under Paragraph 3 of Schedule 12 A of the Local Government Act 1972

“Tender Submissions and Evaluation documents”

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KEY DECISION: Yes

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## DETAILS:

- 1.1 The report seeks approval to commit to appointing a contractor under Stage 1 to develop costs and designs for housing projects under a two-stage design and build procurement route.
- 1.2 Salford Council is working in partnership with the Broughton Trust (BT) and Inspiring Housing to provide a number of affordable housing developments across the City, including two community led housing schemes. Under previous appointments the group are working with suitably qualified design consultants to provide Architectural services for the development of circa 239 high quality new homes across five identified sites.
- 1.3 As part of this Salford Council has committed to delivering a minimum of 101 units under the Homes England HRA funding and is supporting BT to deliver their aspirations to build and retain housing under the Community Housing Fund
- 1.4 The Council are the lead development partner and have entered into contracts for project management support and initial design work and now require to move to appoint a contractor to deliver the schemes.
- 1.5 The five sites that have been identified for development are located at:-
  - Former Irwell Valley Girls School
  - Former St Luke's CE School Site
  - Ryall Avenue
  - Clifton Green
  - Brassington Avenue
- 1.6 This report recommends the appointment of a contractor to take forward the

HRA funded sites. A further report for the appointment of the contractor for the Irwell Valley and St Lukes site will be brought forward at a later date once proposals those sites have been further developed.

- 1.7 As part of the above Identity Consult Limited and PRP Architects LLP have been previously appointed by Salford Council to undertake initial project management and design work for the projects and have completed initial design developments. Planning permission has been submitted on sites 3, 4 and 5 (Ryall Avenue, Clifton Green and Brassington Avenue)
- 1.8 The next stage requires the sites for Clifton Green, Brassington Avenue and Ryall Avenue to be taken to a costed developed design under a two-stage design and build tender process. Tenders for this work were invited under Homes England Framework Northwest. A similar process will be undertaken for sites 1 and 2 (Former Irwell Valley Girls School and Former St Lukes CE School Site) later.
- 1.9 Tenders have now been received to appoint a constructor partner to initially undertake works under the Stage 1 selection process to cost and design three of the intended housing projects (Ryall Avenue, Clifton Green and Brassington Avenue).
- 1.10 There will be a requirement for a pre-construction agreement to be issued to cover the period of time between July 2020 up to when the formal construction contract is executed which is estimated to be September 2020 and which will be the subject of a further report.
- 1.11 Under the terms and conditions of such a pre-construction agreement interim payments will need to be made to the contractor under Advanced Works Orders for costs accrued up to the agreement of a full contract price under the Stage 2 process.

**2. The Procurement Process**

- 2.1 The contract was procured in accordance with Contractual Standing Orders and tenders were invited by mini competition under the Homes England Framework Northwest
- 2.2 Two companies submitted a tender and these have been evaluated in accordance with the criteria set out in line with the mini competition tender documents.
- 2.3 The evaluation scores are scheduled below:-

<b>Bidder</b>	<b>Quality Score Max 50%</b>	<b>Price Score Max 50%</b>	<b>Overall Score</b>
<b>T1</b>	<b>39.00</b>	<b>50.00</b>	<b>89.00</b>

T2	35.00	43.53	78.53
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2.4 Following the evaluation process the company that scored highest in accordance with the selection criteria was G & J Seddon Limited with a tender cost of £521,000. Their submission produced a score of 89.00% and represents best value to the Council.

### 3. Social Value

The Contractors ability to deliver social value outcomes was assessed as part of the Framework process; the successful bidder demonstrated a satisfactory capacity to deliver social value outcomes which also impact on local issues.

In their bid G & J Seddon Limited stated that they are committed to deliver social value through a bespoke implementation plan to ensure that social value will be delivered and monitored throughout the programme and to maximise environmental sustainability.

Seddon's are supporters of the Salford City Mayor's Employment Charter and were re-awarded the Mayor's Charter Mark in 2017 for creating training and employment opportunities for local people. They are supporters of WeMindTheGap which has a reputation for transforming the lives of disadvantaged and unemployed young people through work and life opportunities.

Seddon's work with twenty-six Salford based subcontractors and suppliers. They have stated that they will employ one apprentice for every ten dwellings that are being constructed which will offer opportunities for them to study and train up to NVQ 2/3 level. All their apprentices are paid the living wage as a minimum.

They have their own waste transfer stations and are able to recycle over 98% of waste.

Seddon's are supporters of Salford Food Bank and The Bread and Butter Thing. During the Covid19 outbreak they have delivered over one thousand food parcels to local residents.

The successful constructor partner will be asked to provide further evidence in support of the Stage 2 negotiated tender process. This will be closely monitored as part of the ongoing contract management.

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KEY COUNCIL POLICIES: All relating to affordable housing provision policies. The Sustainable Development and Carbon Reduction Programme are also accounted for.

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EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS: N/A

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**ASSESSMENT OF RISK:** Medium. The programme has been developed to achieve the delivery of contracts to meet the grant funding criteria and the necessary phased completion dates.

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**SOURCE OF FUNDING:** The funding sources currently available are those to support the Capital Programme and are detailed in reports previously submitted for approval.

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**LEGAL IMPLICATIONS:** Supplied by: Tony Hatton (Principal Solicitor) Tel. 219 6323.

When commissioning contracts for the procurement of goods, services or the execution of works, the Council must comply with the public procurement regulations and its own Contractual Standing Orders, failing which a contract may be subject to legal challenge from an aggrieved provider. The proposed award of the contract follows a tender exercise by mini competition in accordance with the Homes England Framework Northwest.

The purpose of a framework agreement is to select through a procurement/evaluation process a number of providers who can meet the service requirements of the Council, as and when those services are required. If they are required then the Council will undertake an exercise to call off the services from one or more of the providers who have been selected to be on the Framework and this may be through any number of ways e.g. mini-competition, direct allocation etc depending on the circumstances. A contract will then be formed between the Council and the chosen provider/s.

The Council will need to have followed the procedure set out in the framework agreement for mini competition to ensure the procurement process is compliant. Two tenders were received from framework suppliers for this project, which have been evaluated on the most economically advantageous tender basis in line with procurement procedures resulting in the proposed award of the contract to G & J Seddon Limited. The procurement procedures therefore appear robust and compliant with the requirements of the City Council's contractual standing orders and public procurement legislation.

The award of the contract will commit the City Council to the formal arrangement and upon receipt of instructions Legal Services will assist in preparing the necessary contractual documentation to ensure the City Council's position and interests are protected.

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**FINANCIAL IMPLICATIONS:** Supplied by Alex Archer, Finance Manager 778 0498

The costs for the Stage 1 tender process of £765,000 (contract costs of £521,000 plus professional fees and associated costs of £244,000) will be funded from the Homes

England HRA grant awarded to the City Council and the approved Place, Housing Strategy Capital Programme.

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PROCUREMENT IMPLICATIONS: Deborah Derbyshire (Category Manager – Corporate Procurement Team) Tel: 0161 686 6244

The contract was procured in accordance with Contractual Standing Orders and tenders were invited by mini competition under the Homes England Framework Northwest.

The winning tenderer has submitted the most economically advantageous offer which also supports the Council's objectives of delivering social value on this contract.

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#### CLIMATE CHANGE IMPLICATIONS:

The project is being developed to meet or exceed current legislation and requirements relating to energy efficiency and carbon reduction. The operational and running costs of the new houses will be a significant factor in the overall requirements. The designs are required to support the objectives of Salford City Council becoming carbon neutral by 2028.

Seddon's have stated that they will apply environmental management activities to develop the schemes which will support the GMSF work and they are accredited under ISO 14001:2015.

The final project design and construction will be in full compliance with current building regulations with aspects which exceed these where possible. The proposed modular timber frame build will utilise the advantages of off-site construction techniques and reduce the requirement for multiple trades frequently travelling to the site.

Any sustainability plan would be targeted to also align with opportunities to deliver social value outcomes.

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OTHER DIRECTORATES CONSULTED: N/A

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CONTACT OFFICER: - Peter Openshaw - Assistant Director TEL. NO. 0161 793 3050

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WARD(S) TO WHICH REPORT RELATE(S): All Wards

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