

NORTH LONDON WASTE AUTHORITY

REPORT TITLE:

NORTH LONDON HEAT AND POWER PROJECT - APPOINTMENT OF ADVISERS

REPORT OF:

HEAD OF LEGAL AND GOVERNANCE

FOR SUBMISSION TO:

AUTHORITY MEETING

DATE:

28 September 2017

SUMMARY OF REPORT:

At its meeting on 22 June 2017, the Authority agreed to procure advisers to provide advice to the Authority and specifically to support it in the implementation of the Development Consent Order for a replacement Energy Recovery Facility at the EcoPark, with associated works, including a Resource Recovery Facility (RRF) with a new Reuse and Recycling Centre (RRC), and EcoPark House, a visitor reception centre which can also be used for education on waste related matters. Following that meeting, a procurement exercise for technical and planning advisers was carried out, and this report recommends the appointment of advisers following that exercise.

RECOMMENDATIONS:

The Authority is recommended to:

1. Note the report (including the confidential appendix on part II of this agenda)
2. Appoint bidder D as technical advisers (Lot 1: Thermal Solutions Consultancy Services) for the Authority
3. Appoint bidder A as technical advisers (Lot 2: Waste and Engineering Solutions Consultancy Services) for the Authority
4. Appoint bidder A as planning adviser for the Authority
5. Delegate authority to the Head of Legal and Governance to finalise contracts in accordance with the decisions to appoint advisers
6. Note that the procurement of architects as authorised in June 2017 is underway, and the outcome of that exercise will be reported to the Authority meeting on 7 December 2017.

SIGNED:Head of Legal and Governance

DATE: 18 September 2017

1 INTRODUCTION

- 1.1 In February 2017 the Secretary of State granted the Authority's application for a Development Consent Order (DCO) for a replacement Energy Recovery Facility, with associated works, including a Resource Recovery Facility (RRF) with a new Reuse and Recycling Centre (RRC), and EcoPark House, a visitor reception centre, on the Edmonton EcoPark, the project known as the North London Heat and Power Project (NLHPP).
- 1.2 The Authority has technical and planning advisers in place whose appointments do not cover the implementation of the NLHPP and are due to expire in February 2018. Following the grant of the DCO, and at its meeting on 22 June 2017 the Authority agreed to procure advisers for these areas of work for the implementation of the NLHPP.

2 PROCUREMENT PROCESS

- 2.1 The values of the contracts were estimated as follows:

| Contract | Value |
|--|--------------|
| Planning Consultancy Services | £1M |
| Technical Consultancy Services (Lot 1: Thermal Solutions Consultancy Services) | £4.5M |
| Technical Adviser (Lot 2: Waste and Engineering Solutions Consultancy Services) | £5M |

- 2.2 As a result of these estimated values, the Authority published two notices in the Official Journal of the European Union on 30 June 2017 inviting tenders for Lot 1 (Thermal Solutions Consultancy Services) and Lot 2 (Waste and Engineering Solutions Consultancy Services) of the Technical Consultancy Services and for the Planning Consultancy Services. Similar notices were published on Contracts Finder. The procurements were conducted in accordance with the open procedure under Directive 2014/24/EU as implemented by the Public Contracts Regulations 2015.
- 2.3 As a result of this process, bidders were required to complete the Selection Questionnaire and to submit a tender at the same time. Bidders could submit a tender for either one or both Lots for the Technical Consultancy Services contract. The Planning Consultancy Services contract was not divided into lots.
- 2.4 The suitability assessment, in accordance with the Selection Criteria published with the procurement documents, was carried out and the tenders submitted by bidders who passed the suitability assessment were evaluated in accordance with the award criteria published with the procurement documents.
- 2.5 A summary of the minimum requirements required as part of the Selection Questionnaire for both tenders are provided below. Bidders were required to score a minimum of 50% of the total scores for Technical and Professional Ability to pass the minimum requirements for Selection.

| Selection Questionnaire | Minimum Requirements |
|---|---|
| Part 1: Potential Supplier Information | Required Data |
| Part 2: Exclusion Ground | Pass / Fail |
| Part 3: Economic and Financial Standing | Pass / Fail |
| Part 3: Technical and Professional Ability | Scored |
| Part 3: Modern Slavery Act 2015 | Pass / Fail |
| Part 3: Additional Questions (Supply Chain) | Scored (Technical Consultancy Services Contract only) |

3 AWARD CRITERIA

- 3.1 Evaluation of the bids was carried out in accordance with the published award criteria, and the outcomes were moderated in accordance with the tender documentation in the interview. The weighting of the evaluation criteria was split into 40% cost and 60% quality. The Authority reserved the right to exclude a bidder that scored zero to two in any criterion within the cost or quality criteria.
- 3.2 A total of 40 marks were available under the Planning Consultancy Services contract for the cost criteria which was scored relative to the Authority's benchmark dayrate. The benchmark day rates for each contract were calculated based on the average day rates from previous market information obtained by the Authority.
- 3.3 Under the Technical Consultancy Services contract (Lot 1: Thermal Solutions Consultancy Services and Lot 2: Waste and Engineering Solutions Consultancy Services) a total of 30 marks were available for bidder day rates assessed against the Authority's benchmark day rates as described below. A further 10 marks were available based on a value for money exercise (see below for details).
- 3.4 The summed total cost of the day rates submitted by a bidder was scored relative to the percentage deviation from the summed total cost of the Authority's benchmark day rates. The percentage deviation and the relative marks achievable are presented below:

| Deviation from Authority benchmark day rate cost | Marks (Planning) | Marks (Technical Lots 1 and 2) |
|---|-------------------------|---------------------------------------|
| ≥30% less than the benchmark day rate | 40 | 30 |
| >0% to <30% less than the benchmark day rate | 21 - 39 | 16 - 29 |
| 0% deviation from the benchmark day rate | 20 | 15 |
| >0% to <30% more than the benchmark day rate | 1 - 19 | 1 - 14 |
| ≥30% more than the benchmark day rate | 0 | 0 |

- 3.5 Bidders for Technical Consultancy Services (Lot 1: Thermal Solutions Consultancy Services and Lot 2: Waste and Engineering Solutions Consultancy Services) were instructed to submit an example exercise to demonstrate value for money and allocation of resources which was scored on a qualitative basis as follows:

| Value for Money and Resource Allocation | Marks (Technical only) |
|---|-----------------------------------|
| Demonstrates excellent value for money and excellent resource allocation across tasks | 9 - 10 |
| Demonstrates good value for money and good resource allocation across tasks | 7 - 8 |
| Demonstrates adequate value for money and adequate resource allocation across tasks | 5 - 6 |
| Demonstrates poor value for money and poor resource allocation across tasks | 3 - 4 |
| Fails to demonstrate value for money and/or very poor resource allocation | 0 - 2 |

- 3.6 A total of 60 marks were available for the quality criterion for each tender with the subcriteria detailed in the tables below:

| Quality Subcriteria (Planning) | Marks |
|---|--|
| Relevant skills, qualifications and experience of individuals providing the services | 10 |
| Understanding of public sector working including best value and communications skills | 5 |
| Acceptance of the published contract conditions | 5 |
| 2 method statements | 40 (split equally between each method statement) |
| Total | 60 |

| Quality Subcriteria (Technical Lots 1 and 2) | Marks |
|---|---------------------------------|
| Relevant skills, qualifications and experience of individuals providing the services | 15 |
| Understanding of public sector working including best value and communications skills | 5 |
| Acceptance of the published contract conditions | 5 |
| 5 method statements | 35 (split equally between each) |

| | |
|-------|-------------------|
| | method statement) |
| Total | 60 |

4 BIDDERS

- 4.1 The Authority's return deadline for both tenders was 13:00 on 1 August 2017.
- 4.2 The numbers of bids received, and passing the selection criteria, for each procurement were as follows:

| Contract | Number of tenders received | Numbers passing selection stage |
|---|----------------------------|---------------------------------|
| Planning Consultancy Services | 3 | 3 |
| Lot 1: Thermal Solutions Consultancy Services | 5 | 4 |
| Lot 2: Waste and Engineering Solutions Consultancy Services | 1 | 1 |

- 4.3 All tenders were received by the return deadline and were in compliance with the tender submission requirements. All the tenderers certified as to their eligibility to tender and sign the anti-collusion certificates.
- 4.4 All bidders who passed the selection stage were interviewed in accordance with the procurement documents. The interviews were conducted by a selection panel comprising NLWA officers and were held at NLWA offices on the 8 and 9 September. The bidders were required to make a presentation on two pre-specified method statements and on the quality sub criterion relating to the bidder's understanding of public sector working including best value and communications skills.

5 OUTCOME OF PROCUREMENT AND CONCLUSION

- 5.1 The table below summarises the outcome of the evaluation for each procurement. The names of the bidders and the detail of the bids are set out in the confidential appendix to this report on part II of this agenda.
- 5.2 The outcome for Planning Consultancy Services is as follows:

| | A | B | C |
|------------------------|-------|-------|-------|
| Total Score out of 100 | 78.12 | 60.45 | 75.91 |

- 5.3 The outcome for Technical Consultancy Services Lot 1 (Thermal Solutions Consultancy Services) is as follows:

| | A | B | C | D |
|------------------------|-------|-------|-------|-------|
| Total Score out of 100 | 68.53 | 56.57 | 48.50 | 75.68 |

- 5.4 The outcome for Technical Consultancy Services Lot 2 (Waste and Engineering Solutions Consultancy Services) is as follows:

| | |
|------------------------|----------|
| | A |
| Total Score out of 100 | 85.20 |

5.5 It is recommended that the following contracts be awarded to the following bidders as the most economically advantageous bids for the contracts in accordance with the published award criteria. It is further recommended that the three contracts should be awarded for a term of ten(10) years commencing on 1 November 2017 with the Authority having a right to extend the contract period for a further period of up to five years on five separate occasions not exceeding 12 months each:

| Contract | Recommended bidder |
|---|---------------------------|
| Planning Consultancy Services | A |
| Lot 1: Thermal Solutions Consultancy Services | D |
| Lot 2: Waste and Engineering Solutions Consultancy Services | A |

3.6 If the recommendation in this report is approved, a 10 day standstill period will be observed in accordance with the Public Contracts Regulations 2015. The contract award notices will also be published on the OJEU within 30 days of the contracts being awarded and similar notices will be published on Contracts Finder.

6 COMMENTS OF THE LEGAL ADVISER

6.1 The appointment of advisers as recommended in this report is incidental to the furtherance of the Authority's statutory functions under section 51 of the Environmental Protection Act 1990 as a waste disposal authority. The Authority has the power to carry out activities that are incidental to the furtherance of its statutory functions under section 111 of the Local Government Act 1972.

6.2 The contracts recommended in this report are classified as public services contracts under the Public Contracts Regulations 2015 and the value of each contract is above the current EU threshold for public services contract of £164,176. Therefore part 2 of the Public Contracts Regulations 2015 applies to the procurement and award process. The Authority must also comply with the Contract Standing Orders and the EU principles of equal treatment, non-discrimination, transparency and proportionality.

6.3 The procurement process carried out by the Authority as set out in this report and the recommendation for contract award comply with the requirements of the Public Contracts Regulations 2015 and the Authority's Contract Standing Orders. The Authority must ensure that the mandatory 10 day standstill period is complied with prior to contract award for Planning Consultancy Services and Technical Consultancy Services Lot 1 (Thermal Solutions Consultancy Services). A standstill period is not required for Technical Consultancy Services Lot 2 (Waste and Engineering Solutions Consultancy Services) as the Authority received one bid. The Authority must also publish a contract award notice for each contract within 30 days of the award in the OJEU. Similar notices must also be published on Contracts Finder.

7 COMMENTS OF THE FINANCIAL ADVISER

- 7.1 The outcome of the tenders is in line with expectations and the medium term forecast that was reported to the Authority at the February meeting. Actual costs will be determined by that level of work that has to be completed and this will be monitored and updated in future budget reviews.

Local Government Act 1972 - Access to Information

Documents used: Development Consent Order and Application Documents; Decision letter. Available through infrastructure.planninginspectorate.gov.uk/projects/london/north-london-heat-and-power-project/?ipcsection=docs.

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