

Agenda Item 9

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Date	3 rd February 2015

Ward (s) affected	Leatherhead North & South; Fetcham East & West; Bookham North & South; Ashted Village, Park & Common and Boxhill & Headley	Key Decision	Yes
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Subject	Transform Leatherhead Town Centre Project – Appointment of Masterplanning Advisors
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RECOMMENDATION

That, in line with Option 2.1, the Executive appoints Bidder H as Mole Valley District Council's masterplanning partner for the Transform Leatherhead project.

1. REPORT AND BACKGROUND

1.1 Background

At the 14th October 2014 Council meeting £511,000 was allocated to develop a 'Masterplan' for Leatherhead town centre, as part of the Transform Leatherhead project.

In line with the process and timetable set out in that report, officers have spent the past few months undertaking a procurement process to identify the company or consortium that will act as the professional masterplanning partner for MVDC on this project.

1.2 Advertisement

A bid document, (a specification for the work, plus supporting information on the project) for prospective masterplanning consultants was issued on 5th November 2014. This document was:

- sent directly to companies whom officers were aware had experience in this area.
- placed on 'Contract Finder', a recognised website for advertising contracts.
- placed on MOSS to make Members aware of the specification and procurement process.
- placed on the Council's 'Transform Leatherhead' website so that the public, particularly community stakeholders in the north of the District could see the

procurement process and specification for the work.

As a guide the contract was advertised as having an estimated value of £120,000 and £160,000.

The deadline for the receipt of bids was 12th December 2014 and 10 bids were received by this deadline.

1.3 Initial Evaluation

A panel of four officers carried out an initial evaluation of the bids in accordance with the criteria published within the bid document. The evaluation was based on a 50:50 balance between price and quality.

In relation to price, 1,000 points was awarded to the bidder tendering the lowest price. Other bidders then received scores of 1,000 minus 10 points for every £1,000 that their bid was more expensive than the lowest price bid. (So, for example a bidder tendering a price £10,000 more than the lowest price bid, received a price score of 900).

In relation to quality each bid was evaluated 'out of five' against 9 criteria set out in the bid document. Each of these scores was then multiplied by the weighting shown in the following table, reflecting the relative importance of each criterion. This resulted in each bidder potentially being awarded a quality score of up to 1,000.

<u>Criterion</u>	<u>Weighting</u>
Team and resources	40
Communication and engagement strategy	35
Approach to assessment of commercial viability	25
Approach to evaluation and analysis of evidence	25
Workplan, methodologies/techniques for data gathering	20
Approach to planning assessment	20
Value added outside specification	15
Approach to implementation plan	10
Mitigation for loss of key personnel	<u>10</u>
	200

The two scores, for price and quality were then added to arrive at a total score for each bidder.

This resulted in the three highest scoring bidders being selected for interview on 12th January 2015.

1.4 Interviews

At interview the bidders were asked questions to seek clarification on their bid, in order to enable officers to either confirm or amend their initial scoring of each bid, as appropriate. Some questions were common to all bidders and others related to specific bidders, depending on the remaining areas of uncertainty in each bid.

Prior to the interviews, these draft questions were shared and discussed (without identifying bidders), with the following three groups:

- Executive Members with a lead responsibility for this project, (Leader, Planning, Community Engagement, and Finance).
- The Local Member Reference Group for the Transform Leatherhead project.
- The Community Reference Group for the Transform Leatherhead project.

The purpose of these discussions was to ensure that Members and community groups understood and supported the process that had been followed, and to ensure that the questions being asked of bidders reflected the concerns of all stakeholders. Following these discussions, changes were made to the interview questions to reflect the suggestions received.

At interview the high quality of the bids was confirmed by the strength of the three teams that attended and the responses to the questions posed on both quality and price. It was clear that all three bidders could do a very good job as MVDC's masterplanning partner for the Transform Leatherhead project.

1.5 Conclusion

Following the interviews, the same four officers reconsidered the scores for each bidder, either confirming or amending their initial scores, as appropriate. This led to the following (anonymised) final scores for each bidder:

<u>Bidder</u>	<u>Price Score</u>	<u>Quality Score</u>	<u>Total Score</u>
A	1,000	520	1,520
G	1,000	580	1,580
H	780	870	1,650

In essence, while all three bidders could do a very good job, bidders A and G bid the same (lowest price), and had very good quality scores, while bidder H was slightly more expensive but had an exceptionally high quality score. **Overall bidder H has clearly the highest overall score, in line with the stated evaluation criteria.**

2.0 OPTIONS

- 2.1 On the basis that the procurement process has been robust and legally compliant and the evaluation scores show a clear 'winner' in Bidder H, the Executive could agree to appoint Bidder H as its masterplanning partner for the Transform Leatherhead.
- 2.2 If the Executive believes that the procurement process is in some way materially flawed, it could decide to cease the current procurement process and undertake a fresh procurement.

Option 2.1 is believed to achieve objective of Council in finding the most suitable company/consortium to act as its masterplanning partner for the Transform Leatherhead project, through a robust and legally compliant procurement process. As such, option 2.1 is recommended, to appoint Bidder H as the Council's masterplanning partner for the Transform Leatherhead project.

The identity of Bidder H will be announced, if appropriate, following the Executive decision on 3 February.

3.0 CORPORATE PRIORITIES

ACCESS TO SERVICES

Helping residents to access the services they need

1. Improve the way we listen to, and engage with, our customers and communities.

The masterplanning exercise will include extensive public engagement to establish the view of businesses, residents, stakeholder groups and visitors in the north of Mole Valley District to prepare options for transforming the nature of Leatherhead town centre.

2. Work with our partners to provide the right services to our local residents.

Part of the consultation will consider the community requirements alongside the commercially viable parts of the masterplan. This will include working closely with Surrey County Council, particularly on highways issues, the C2C LEP on links to its objectives (and potential funding) and wellbeing partners so that the project considers wider potential community benefits.

3. Ensure that our residents are supported through welfare reform and the emerging health and wellbeing agenda.

It is anticipated that the masterplan will set out a roadmap of how to achieve a significant improvement to the streetscape, facilities and therefore use by all of those with an interest in Leatherhead town centre

ENVIRONMENT

Maintaining the character and environment of Mole Valley

4. Optimise MVDC's recycling rate, balancing both value for money and promoting sustainability.

Any new developments will consider how recycling can be increased through design.

5. Support businesses and the local economy by enabling development in the district and facilitating appropriate housing growth.

The masterplanner will consider the needs of the local economy including gaps in the market, the retail leakage from Leatherhead, the need for new housing and what employment uses would be viable in Leatherhead town centre.

6. Improve the quality of the built environment whilst preserving the character and integrity of our towns and villages, and protecting the rural landscape.

Key to garnering the support of the local community will be their support for change that improves the town centre which will include identifying key areas for retention.

7. Work with our partners and residents to respond to the impact of flooding on communities.

The masterplan will look at opportunities to improve the town's relationship with the River Mole and any proposals will need to consider the need to create better flood mitigation measures as part of any development.

VALUE FOR MONEY

Delivering value for money services

8. Ensure we have an ongoing sound financial basis to enable us to continue to deliver services that represent value for money.

Although it is intended that the masterplan will establish a framework for development that will pump prime the transformation most of the investment will be from private sector investors.

9. Create additional income through prudent investment and making best use of our property assets.

The masterplan offers the opportunity to improve values within Leatherhead and as an existing landowner MVDC will be part of this improvement and may need to consider further investment in the town to support the delivery of transformation.

4.0 Legal Implications

As the estimated contract value was below the applicable EU threshold of £172,514, the requirements of the Public Contract Regulations 2006 did not apply to this procurement, although there is a general obligation to conduct a sub-threshold procurement in accordance with the process the Council set out in its tender documents, and to observe the general principles of treating bidders equally and act in a non-discriminatory and transparent way.

As with any procurement, there is always a risk of challenge by an unsuccessful bidder; however, the procurement was conducted in accordance with the published bid documents in identifying the preferred supplier. Feedback will be provided to those bidders who were unsuccessful.

5.0 Financial Implications

The contract cost is consistent with the estimate prior to going to tender, and is containable within the budget set for the project, namely £511,000 agreed at Council on 4th October 2014 and a grant of £62,500 from the Coast to Capital LEP.

6.0 CORPORATE IMPLICATIONS

6.1 Monitoring Officer commentary - The Monitoring Officer confirms that all relevant legal implications have been taken into account.

6.2 S151 Officer commentary - The Section 151 Officer confirms that if the recommendation in 2.1 is accepted that the cost of the appointment can be accommodated with the previously agreed budget.

6.3 Risk Implications - The risk of not appointing a competent company or consortium to act as the Council's professional masterplanning partner has been mitigated by the robust and legally compliant evaluation process undertaken, including the fact that equal emphasis was given to price and quality. As indicated in the main body of the report, prior to the interviews, draft questions were shared and discussed (without identifying bidders), with key stakeholders to ensure they understood and supported the process that had been followed, and to ensure that the questions being asked of bidders reflected the concerns of all stakeholders.

6.4 Equalities Implications - There are no specific equalities implications as a direct consequence of this report. However, where additional funding for infrastructure and transport schemes is secured, there are likely to be positive impacts though increasing access to services and employment opportunities. Where applicable,

equality impact assessments will be undertaken as a part of decision-making.

- 6.5 Employment Issues** - One of the key objectives of the potential regeneration of Leatherhead town centre is job creation. However, at this stage the creation of a Masterplan has no direct employment issues, other than the temporary creation of two posts in the Planning Policy and Property teams.
- 6.6 Sustainability Issues** - As part of the masterplanning process, issues relating to the environmental, economic and social sustainability of Leatherhead and the surrounding area will be considered and incorporated into future redevelopment plans.
- 6.7 Consultation** - Consultation with the local community and businesses was undertaken prior to submission of the bid. Significant further engagement will take place as the project progresses.
- 6.8 Communications** - A communications and engagement strategy forms part of the Masterplan. This will be led by the successful bidder with considerable input from the Council to ensure a robust process. Initial discussions have been held with the Executive Member for Community Engagement & Resident Services to outline the approach and more detail will be added once the appointment has been made.

7.0 BACKGROUND PAPERS

1. Council Report 14th October 2014
2. Masterplanning Brief