

APPENDIX Proposed Contract Awards

1. Utilities – design, provision, and operation.

Description.

OPLLP needs to engage a specialist company to design, provide and operate utilities. There are significant lead-in times associated with delivery of new utility infrastructure. Statutory companies need to undertake modelling before costs and timelines can be fixed over the long term. The design, supply, operation, and maintenance of electric, water and telecommunication infrastructure to every property and business within Phase 1 of the project.

Procurement Process.

A full tender process has been undertaken and specialist advisors Stantec have managed this on behalf of the OPLLP. 9 companies were engaged in initial Expression of Interest exercise. Following this, full tenders were received from 4 companies. It should be noted that originally the tender encompassed the whole of the masterplan area, but this was reduced on the advice of OPLLP's consultants to focus on phase 1 only.

Proposed contractor.

Networx Utilities Ltd.

Contract price.

£8,500,000

Reasons for entering into the contract now.

The timescales for new utility connections and supply networks to service Otterpool Park are complex and can take years to plan and deliver. The implication of timely delivery has a direct impact on OPLLP's ability to complete commercial agreements with housebuilders and meet the demand of new housing supply. The benefit of utility provision will ultimately be reflected in the sale price for land.

The contract will have a clause in it where OPLLP will have the ability to pause, delay or not build. This is an extreme event clause. If it is decided not to build then there will be a profit / loss event but minimal compensation will be required to be paid to the contractor. The overall scheme value will however increase with the benefit of having a full design and asset value established.

The initial construction cost of £8.5M will be paid on a phased basis over 14 payments to 2030. This is an initial contract outlay from OPLLP. However, the contractor is required to pay a circa £4.5M to OPLLP from a per unit rebate payment once properties are connected to the utilities. This is factored into the overall financial model for Otterpool Park.

2. PACE 1 - Enhancements of Westenhanger Station

Description

Outline design of Westenhanger Station enhancement - known as PACE 1. When completed, the improvements will provide 12-car platforms, access-for-all with lifts, footbridge, and stairs, waiting shelters and a new station building with ticket selling and other passenger facilities.

Procurement Process.

As the proposed work envisages work to the railway infrastructure only Network Rail and the train operating company - South East Trains can undertake the work. The contract cannot be tendered, therefore. The board of OPLLP has granted a waiver of the procurement rules.

Proposed contractor.

Network Rail Infrastructure Ltd and South East Trains Ltd

Contract price.

£1,233,815

Reasons for entering into the contract now.

The project has already been delayed by three months due to a lack of early engagement by South East Trains Ltd. Network Rail are making their investment decisions in May and so a decision is needed now.

Completion of PACE 1 will enable the next phase - PACE 2: detailed design, to be contracted before the final phase – PACE 3: construction and commissioning, sees the project delivered. The granting of authority to proceed now will facilitate the planned completion of the railway project by December 2027, which will in turn support Otterpool Park LLP's bid to the Department for Transport for the inclusion of a regular High-Speed service at Westenhanger in the Train Service Specification for South East Trains Ltd from the same date.

3. Phase 2 Masterplan and Design Code Commission (Woodland Ridge and Hilltop Character Areas)

Description

The three-tier planning process requires OPLLP to submit a suite of tier two documents for approval by phase before reserved matters applications for individual parcels or projects can be approved. Tier two consists of a masterplan, design code and delivery strategy, along with updates to other site wide strategies including energy, transport, and heritage.

The proposed contract relates to commissioning of the phase 2 masterplan and design code, for the hilltop and woodland ridge character areas (the western part of the site behind Barrow Hill).

Procurement Process

Six teams were invited to tender for this work in February 2023 - in the end two consultants teamed up with others on the list to prepare joint bids (combining

landscape and urban design skills), resulting in four submissions. All teams were interviewed on 16 and 17 March. Bid evaluation was on a 60/40 quality price ratio.

Proposed contractor.

John Thompson & Partners LLP, trading as JTP

Contract price

£340,000

Reasons for entering into the contract now.

The reason for identifying the western part of the site behind Barrow Hill for the next phase of development is that much of the land is owned outright by the Council, therefore does not incur the cost of land purchase.

The urgency to begin this work is because OPLLP has already entered into negotiations with two housebuilders on land in this area. The reason for this is that it is designated for mid and lower density neighbourhoods, well suited to the types of family housing that has a known market locally and is attractive to housebuilders and therefore attracts good land values. This will provide a complementary offer to the higher density phase 1 housing (which may take many years to build out), bringing in a pipeline of sales income that will help cashflow in the early years.