



Notice of Non-key Executive Decision

Subject Heading:	London Innovation Gateway (LIG): Operator Contract Award
Cabinet Member:	Councillor Damian White
SLT Lead:	Neil Stubbings
Report Author and contact details:	Daniel Moore Tel: 01708 432761 E: daniel.moore@havering.gov.uk
Policy context:	Havering Corporate Plan 2019/2020. Opportunities: Helping Our Businesses Grow
Financial summary:	Havering successfully secured £1.63m (Capital £1.15m, revenue £0.481m) from the GLAs Good Growth Fund to create an innovation hub in the Rainham area of the borough. A proportion of this funding (£0.481m) will be allocated to the organisation that will operate the innovation hub (London Innovation Gateway).
Relevant OSC:	OSC
Is this decision exempt from being called-in?	No

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

The Director of Regeneration is requested to agree that:

1. Following a procurement and evaluation process to enter into a five year contract worth £0.481m with Manufacturing Technology Centre (MTC) to operate the London Innovation Gateway.

AUTHORITY UNDER WHICH DECISION IS MADE

3.4 Powers of Second Tier Managers

Contract powers

(a) To approve commencement of a tendering process for, and to award all contracts below a total contract value of £500,000 but above the EU Threshold for Supplies and Services.

STATEMENT OF THE REASONS FOR THE DECISION

The Council submitted a successful bid to the GLA's Good Growth Fund in conjunction with Havering College (renamed New City College), SEGRO and the London Riverside BID to establish an innovation hub and undertake public realm improvements in the Rainham area of the borough. Havering secured £1.63m to create the innovation hub (London Innovation Gateway) of which £0.481m will be allocated to the appointed operator to be used for revenue costs including rent, rates and utilities.

On [12th June 2019] Cabinet approved entry into the grant agreement and noted that the process of appointing and operator for the Hub would be undertaken on behalf of the partners through the Council's procurement processes. Approval to commence procurement was granted via Executive decision dated 2 August 2019.

The establishment of the Gateway will offer businesses in the Rainham Employment Strategic Industrial Location, East London and across the UK the opportunity to train in and utilise digital technologies for the purposes of virtually developing and testing new products and processes, upskilling staff and attracting new clients. Businesses will benefit from the innovation expertise of the Gateway's staff. Interacting with the Gateway will act as a catalyst for business innovation processes which are intended to improve the productivity and competitiveness of the business environment in Havering, East London and the greater South East.

The contract opportunity was initially advertised via a Prior Information Notice and a market engagement event promoting the opportunity was held. An EU compliant Open tender process was followed. Two organisations responded to the Invitation to Tender, which included an assessment of the applicant's technical ability to operate the Gateway and their ability to ensure that the hub will be self - financing. Evaluation was carried out as stated in the Invitation to Tender. MTC's tender scored [62.8] and Supplier B's tender scored [59.0] MTC's

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The Cabinet decision of 12 June noted that procurement of the operator for the Hub would be undertaken through the Council's procurement processes.

The Council is a public authority for the purposes of the Public Contracts Regulations 2015. The contract falls above the applicable EU threshold for services contracts of £181,302. Tender and award of the contract is therefore caught by the Public Contracts Regulations (PCR) 2015.

The contract has been procured via a PCR 2015 compliant procedure and in accordance with the Council's Contracts Procedure Rules. Subject to the Council being satisfied that it represents Best Value, the contract may be awarded as recommended.

The Council should observe a PCR 2015 standstill procedure following award of the contract.

The contract is over £150,000 and should be sealed.

FINANCIAL IMPLICATIONS AND RISKS

Following the successful bid to the GLA's Good Growth Fund Havering secured £1.63m to create an innovation hub in the Rainham area of the borough. Within this budget, the GLA agreed that £0.481m will be used as revenue funding by the appointed hub operator. This funding will be used for rates, utilities and other costs over the first three years of the contract.

The evaluation process included a technical and commercial assessment and applicants had to demonstrate how their proposal would generate income for the Gateway and ensure it is self-financing. Following the evaluation the organisation best qualified to operate the Gateway was MTC.

The rest of the funding (£1.1m) will be allocated to the three delivery partners to undertake the reconfiguration of the two sites at SEGRO and New City College and undertake public realm improvements on the London Riverside BID area. A percentage of this funding (£0.029m) will be used by the Council for consultancy support.

As the aim of the Gateway is to become self-financing any income generated from the operator will be held in a ring fenced account (reserve) and administered by LBH to the benefit of the operator. As the project progresses the project board will establish a special purpose vehicle (SPV) which could be incorporated as a company limited by guarantee.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

There are no human resources implications and risks at this stage.

Non-key Executive Decision

Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Proposal NOT agreed because

Details of decision maker

Signed



Name: Neil Stubbings

Director of Regeneration

Date: 19/02/2020

Lodging this notice

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Democratic Services Officer in Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on 20/02/2020

Signed 