Golden Lane Estate Investment Programme: Pre-Market Contractor Engagement

Golden Lane Estate Community Centre
2 July 2025

Summary of Q&A session with Head of Major Works Greg Wade (GW) and Consultant Project Manager Nick Condon (NC)

Introduction

GW explained that this pre-engagement exercise was to a) determine the extent of market appetite for the projects and programme; b) to provide contractors with an update on the expanded scope of works; and c) invite opinion on the project team's strategic approach to the programme in terms of planning and logistics, given its complexity.

Q1.
Why an open tender? This makes the tender potentially less attractive – there will be a lot of work for each bidder to do, with the likelihood of a large number of competitive tenders.
GW said he would take this back and discuss with Procurement to explore the potential for a pre-qualification process. GW added that the project team had originally explored using a two-stage tender, but this doesn't comply with section 20 consultation processes, which is a statutory requirement.

Q2.
What will be the scoring split in terms of tender submissions?
CoL has a mandatory 15% weighting against Responsible Procurement, the remaining 85% will be split across quality and cost, at present the definitive split has not been determined but it likely to be that weighting will be greater on the qualitative criteria.

Q3.
What will be the nature of shared welfare facilities between 2-3 principal contractors?
GW stated that the project team had looked at possible compound areas within the site boundary and it is expected that there will be some degree of shared facilities between contractors. It will be a challenge because there isn't a lot of available space on the estate, given the requirement for additional storage facilities and the likelihood of other contractors being on site.

Q4.
Is it a fully designed scheme and will it require any element of contractor design?
GW stated there may be some element of further design work which comes out of the Gateway 2 application process, but at point of tender the intention is for the works to be fully designed, due to the requirement for Listed Building consent.

Q5.
How will contractors be expected to price for window repairs when they won't know the exact specification and quantities?
NC stated that the window refurbishment works will be fully specified in the tender documents, but the quantities will have to remeasured because every property will have to be surveyed and then instructed. Hence the preferred form of contract will be the JCT Standard Building Contract with approximate quantities.

Q6.
Does the City believe that by going to competitive open tender, they will get the best contractor?
NC stated that the Corporation has to comply with the Procurement Act and City of London Corporation procurement policy. GW reiterated that Section 20 consultation doesn't lend itself to a two-stage tender process and this can't be easily reconciled.

Q7.
Is the intention to get a contractor on board ahead of Gateway 2 application?
NC confirmed this was the expectation, stating that the appointed contractor has to provide critical input to the Gateway 2 to application and so this process could only be started post-contract award. GW confirmed the high-level timeline for Crescent House, stating that the tender was expected to be issued around March/April 2026, but because of the Gateway 2 application, works would not be expected to start on site until around October 2027.

Q8.
How long has the City allowed for Gateway 2 application on average?
GW confirmed that a period of 6 to 9 months for each tender package had been factored into the high-level master programme.

Q.9
Will the tenders be issued in line with the programme or is it the City's intention to tender it all now?
GW confirmed that the plan was to stagger procurement from 2026 to 2030, although the bulk of the design work for all the blocks is being targeted for completion by September 2026, to assist with budget estimates. GW added that the exact timing of the latter packages is completely dependent on the first two packages for Crescent House and Cuthbert Harrowing House finishing on time.

Q.10
Is there the potential to combine tender packages? Would the City be comfortable with a single principal contractor delivering the entire programme?
GW stated this is not really what the project team had envisaged, given the need for speed and efficiency. NC added that he did not expect for any contractors to be prevented from submitting concurrent tenders for more than one package, but it would be at the Corporation's discretion to determine whether the contractor had sufficient resources. GW added that he would expect separate site management and resident liaison teams irrespective, given the extent and complexity of the work involved.

Q.11
How is the City dealing with inflation?
NC stated that in terms of cost planning, it has already been built it in, but this will be explored further as the tender package for Crescent House is finalised.

Q.12
What is the expected provision for Liquidated Damages?
NC stated it is far too early to provide a detailed answer to that question, when the team is still focused on design development.

Q.13
Can the City give an overall idea of budget? Some of the packages will be more attractive to certain contractors, depending on the price.
GW stated that £105m is the high-level estimate for the entire programme, this figure is now in the public domain. A very rough calculation can be done based upon the number of units per block and the anticipated tender packages which have been shared in the presentation.

Q.14
Has the City engaged with specialist window repair contractors to check their availability?
NC stated that the project team has a good relationship with the named domestic subcontractors, including the steel/aluminium window specialist and the timber specialist. The team has been reassured that they can both provide adequate resource. The specialists have been heavily involved with the pilot properties on the estate over the past couple of years.

Q.15
What happens if there's a potential issue with two principal contractors requiring the services of the same specialist subcontractor at the same time to meet their delivery programmes? GW and NC conceded this did represent a risk, which would need some careful consideration in order to mitigate.

Q.16
Has the project team considered whether the requirement for Gateway 3 sign-off could have a potential impact on decanting, particularly in terms of moving residents back into their homes?
GW stated this was a good point and would require further discussion within the project team.

Q.17
Is the City wedded to the principal of decanting as part of the programme?
NC stated that if any contractors had an alternative viewpoint, the project team would welcome the input, but at this present time it's seen as unavoidable.

Q.18
Will the re-pricing of the window repair works jeopardise the Section 20 consultation process?
GW stated this would not present an issue because the remeasures would simply be priced variations which would be captured in the actual bills for Leaseholders. The Notice of Estimate is based purely on the tender price and is never expected to be completely accurate.

Q.19
Is further work needed due to the Building Safety Act i.e. cladding works and sprinkler works?
Nc stated that the project team are currently looking at that now, further to the commissioning of Fire Strategies, Type 2 FRA surveys and FRAEW surveys. Any resulting work will be captured as part of the fire safety element within the tender packages.

Q.20
Has there been any feedback from residents about decant?
NC stated that yes, residents have huge concerns and worries. These will need to be carefully managed and that's why the Corporation will need a successful decant in the first phase to reassure residents. Clear and consistent comms will be needed at all times.

Q.21
In terms of the tender evaluation process, will the City have residents involved?
This will be confirmed further to in-depth consultation with the Corporation's Procurement Team.

Post-meeting note (GL)
Residents are welcome to join the evaluation panel, just to note that the bigger the panel, the longer the evaluation/ moderation may take.

Q.22
In terms of risk profile and complexity, has the project team tested the expected duration of 6 to 8 weeks per property for the window repairs?
NC explained the process involving the first pilot flat and a further two flats at 108 and 202 Crescent House, advising that the current estimate was purely high-level timeline and will be reviewed again when the tender package for Crescent House is being prepared towards the end of this year.

Q.23
Has the City factored in resident refusals?
GW explained this was the reason that the City had started resident engagement at an early stage. NC added that a real challenge would be attempting to convince leaseholders who may not be keen to grant access, because they don't yet know estimated costs in any detail. GW stated that he is keen for a Senior Decant Officer and a Decant Officer to be in place by next Spring/Summer to ensure that the groundwork and relationship-building can start early.

Q.24
Will properties be available for the decant?
GW explained that there is a forward plan to upgrade empty properties on the estate, with approximately 15 needed to service two concurrent decant programmes. GW added that various options near to the estate were also being considered.

Q.25
Can the pilot properties be viewed?
NC advised that pilot flat visits can be arranged via Georgia Lawrence (GL) in the Procurement Team.

Q.26
Will there be a financial threshold in terms of how the tenderers will be assessed i.e. annual turnover?
NC advised that this would be answered by Procurement closer to the time of tender.

<u>Post-meeting note (GL)</u>

- Yes, a financial appraisal will be undertaken on each bidder. Bidders will need to meet specific financial thresholds to demonstrate they have the economic and financial standing to deliver the contract. This includes:
- Minimum Revenue Requirement: Bidders must show that their average annual revenue over the last two financial years is at least twice the estimated annual contract value.
- Accounting Ratios: Bidders must meet the following standards based on their latest accounts:
    - Current Ratio: At least 1.00
    - Quick Ratio: At least 1.00

- Altman's Z Score: Bidders must score 1.80 or above, calculated using financial data from their latest accounts.

- In addition, the City will carry out a full review of each bidder's financial statements, including profitability, cash flow, reserves, and auditor reports. Certain red flags (e.g. a qualified audit, negative net worth, or overdue accounts) may lead to an automatic fail unless strong mitigating evidence is provided.

Q.27
Will there be accreditation requirements?
NC confirmed this would be the case, the details will be included in the tender documentation.

Q.28
Are there any concerns over funding for the programme?
GW explained there was an estimated £85m shortfall in the Housing Major Works Programme, of which the GLE Investment Programme forms a part (this is in the public domain), but the Corporation is already exploring potential funding avenues.

Q.29
Is Social Value expected?
NC and GL confirmed this would be the case and will be detailed in the tender documentation.

Post-meeting note (GL)
15% of the overall weighting on the evaluation criteria will be allocated to Responsible Procurement, which Social Value will fall under.

Other Discussion Points
GW advised that there were other planned works packages for the estate, which did not form part of the Investment Programme, but had the potential to adversely affect the site in terms of space, logistics, deliveries and general Health and Safety. These include the Golden Lane Leisure Centre refurbishment (expected delivery from 2027 to 2029) and Great Arthur House roof refurbishment (expected to start in 2027).

Q&A session concluded, everyone thanked for their attendance.