



Notice of Non-key Executive Decision

Subject Heading:	A1306 Beam Parkway Linear Park Construction Procurement
Cabinet Member:	Councillor Roger Ramsay
SLT Lead:	Steve Moore, Director of Neighbourhoods
Report Author and contact details:	Lauren Gee, Regeneration Officer, Economic Development. X1784 lauren.gee@havering.gov.uk
Policy context:	Mayor's Transport Plan Mayor's London 2020 Vision London Riverside Opportunity Area Framework Havering Local Development Framework – Site Specific Allocation SSA11(2008) Rainham and Beam Park Housing Zone submission Rainham and Beam Park Housing Zone, Overarching Borough Agreement (2015) Rainham and Beam Park Planning Framework Havering Local Plan Proposed Submission Version (2017) Havering's Vision – Making a Greater London (2017)
Financial summary:	The anticipated contract value for construction is £11.487m and is fully funded by TfL's Major Schemes Programme and GLA Housing Zone grant. The scheme design is already underway as a separate contract and does not form part of this work.
Relevant OSC:	Towns and Communities
Is this decision exempt from being called-in?	Yes - It is a non-key decision by a member of staff

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The subject matter of this report deals with the following Council Objectives

Communities making Havering	<input type="checkbox"/>
Places making Havering	<input checked="" type="checkbox"/>
Opportunities making Havering	<input checked="" type="checkbox"/>
Connections making Havering	<input checked="" type="checkbox"/>

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

Authority is sought for the Projects and Programmes Manager in Development (Regeneration) is authorised to begin a procurement process to identify a preferred bidder to carry out required construction works to deliver the A1306 Beam Parkway Linear Park scheme.

AUTHORITY UNDER WHICH DECISION IS MADE

Part 3, Section 3.3 of the Constitution – Powers of Members of the Senior Leadership Team

Contract powers

(a) To approve commencement of a tendering process for all contracts above a total contract value £500,000.

STATEMENT OF THE REASONS FOR THE DECISION

The Beam Parkway scheme will reconfigure the A1306 into a residential scale street and establish a 2km link of green infrastructure which connects the Ingrebourne and Beam river valleys, providing opportunities for leisure, accessible transport routes for pedestrians and cyclists, and an integrated residential feel which will positively alter public and commercial perception of the area.

The total capital project cost is estimated at £12.659m. This includes design costs of £1.172m and a construction/implementation cost of £11.487m.

A checkpoint 1 report recommending the use of the restricted route for procurement, with a price-quality ratio of 40% price 60% quality, was submitted and approved in February 2018.

Background

The Beam Parkway scheme - which spans the area between the borough boundary with Barking and Dagenham at New Road, and the Dover's Corner roundabout – proposes to deliver a transformative strategy which will create a new town centre environment, connected to the surrounding area with a series of parks. The scheme is majority funded by TfL's Major Schemes programme which has provided £7.849m, with an additional £3.260m provided as part of the GLA's Rainham and Beam Park Housing Zone funding programme which aims to deliver comprehensive regeneration of the area. A further £1.250m will be provided from s.106 contributions, with this funding available in the first instance using recoverable grant of £1.250m from the GLA as a bridging loan. In addition, £300k of LIP funding is available in 2018/19 and 2019/20, and will be used to carry out projects which link with Beam Parkway, although this is not part of the Beam Parkway scheme itself.

Currently, the A1306 (previously the A13 arterial route) is characterised by its industrial legacy consisting of underutilised carriageway, at some points seven lanes wide. The proposed scheme aims to reduce the carriageway width, using the surplus space to provide a more

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residential boulevard feel to complement the new housing and facilities to be developed along the A1306 as part of the wider Housing Zone. The divide between the north and south sides of the road will be minimised, and journeys for pedestrians and cyclists will be more accessible, safer and pleasant.

Havering Borough has highlighted the importance of Beam Parkway in its planning, transportation and regeneration strategies including the adopted Havering Local Development Framework and Site Specific Allocations (2008), the Rainham and Beam Park Planning Framework (2016), and the proposed submission of the Havering Local Plan (2017).

How Havering has taken this work forward

The Rainham and Beam Park Housing Zone submission, as approved by Cabinet Sept 2015, includes the construction of the Beam Parkway as a key enabling infrastructure project. The Housing Zone was approved by the Mayor of London on the 25th July 2015 and Cabinet authority to enter into the GLA Housing Zone Overarching Borough Agreement was approved at the 4th November 2015 Cabinet. The Executive Decision to accept the funding provided via the GLA BIA was signed on 31st January 2018.

LBH commissioned Steer Davies Gleave in 2015 to undertake Step 1 of TfL's Major Scheme programme, resulting in a business case which identifies objectives, key components, estimated costs and a delivery programme. In 2016, Step 1 was approved and the Step 2 process began, with an expected end date of mid-2018. Step 2 will include collation of all baseline information, traffic modelling, a detailed cost estimate, risk assessment, performance indicators, stakeholder consultation and design review, and a business case which brings all of these together. Following business case approval by TfL, the scheme will progress to Step 3, with a contractor in place to begin delivering the works. Final technical design is expected to be completed in Q1 2019/20, with mobilisation and start on site programmed for mid-2019.

What the appointed contractor will deliver

To deliver the Beam Parkway scheme, the appointed contractor will be expected to undertake the following work:

- Creation of 2km of green infrastructure, to specifically tie together the Ingrebourne and Beam River valleys
- De-trunking of the A1306, creating a remodelled carriageway with residential feel
- Remodelled major junctions, establishing effective North/South linkages
- A bi-directional cycleway on the south side of New Road
- A river crossing at Rainham Creekside, linking Rainham Village to the new housing development and highlighting the heritage of the area.
- A series of parks, each with individual features and planting carefully designed to provide high quality opportunities for interaction and activity
- Public art features at stated points along the route
- Carefully phased integration with associated housing development works
- Facilitation of a pleasant and accessible route to the new Beam Park station

Procurement Proposal

In accordance with EU Regulations and the Council's Contract Procedure Rules, it is proposed to run a two stage restricted tender procedure, which will allow bidders to prequalify in order to assess their technical and professional capacity.

The proposed procurement timetable is as follows:

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Issue PIN (call for competition)	14 March 2018
PQQ Period	17 July 2018 – 28 August 2018
Prequalification Decision	20 August 2018 – 18 Sep 2018
Tenders Issued	19 Sep 2018
Tenders Returned	30 Oct 2018
Tender Review	31 Oct 2018 – 13 Nov 2018
Award of Contract	27 Nov 2018
Final technical design	28 Nov 2018 – 25 April 2019
Second stage procurement (sub contracts)	26 April 2019 – 06 June 2019
Mobilisation and on-site	07 June 2019 – 06 Jan 2021
Completion of works	07 Jan 2021

The programme will be subject to robust monitoring throughout, with a clear change control process agreed prior to commencement of works. To mitigate any potential risks, an extensive suite of surveys has been undertaken to identify any possible issues and inform the design so far as possible. In addition to Havering Council sign off, it is a requirement for the final detailed design and business case to be signed off by TfL as part of their Step 2 process, prior to proceeding to Step 3. This process includes two design reviews and two value engineering workshops which ensure that the design is as robust as possible and meets all industry standards.

A contingency has been included within the total projected programme cost to allow for any unanticipated expenditure, and inflation. This currently stands at 25% of the implementation costs.

Added Social Value

An opportunity exists for added social value, through use of local businesses as sub-contractors, and the provision of training and job opportunities for local people. The potential for use of an integrated approach which achieves social and economic benefits and minimises damage to the environment will be discussed with bidders.

OTHER OPTIONS CONSIDERED AND REJECTED

To procure the work through a suitable framework – rejected on the grounds that no suitable frameworks have been identified and the work is of a bespoke and innovative nature over which the Council would like to exercise as much quality control as possible.

PRE-DECISION CONSULTATION

Key Council stakeholders have been consulted on the procurement in order to achieve

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effective compliance with the Council's standing orders and achieve value for money.

The Checkpoint 1 process has been completed and approved.

A Key ED for the GLA BIA was signed on 31st January 2018.

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Lauren Gee

Designation: Regeneration Officer

Signature:

Date:

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The Council is a Highway Authority under Section 1(3) of the Highways Act 1980. Section 41 of the same Act places a duty on Highway Authorities to maintain the safety and usability of roads that are kept at public expense.

The value of the proposed procurement is well above the threshold for Works contracts. Compliance with Part 2 of the Public Contracts Regulations 2015 is therefore required. A Contract Notice or Prior Information Notice (PIN) used as a call for competition, will need to be published via the Official Journal of the European Union (OJEU).

Responsibility for the design of the works will rest with a separate consultant that will be appointed as Principal Designer. Officers have involved the Planning department throughout the preparation of the tender documents.

The procurement process that officers intend to follow has already been set out in the body of this report and appears to be a fully compliant procedure. The tenders received will be evaluated against a 40% cost and 60% quality weighting. This departure from the Council's predetermined best price-quality ratio has been approved through the Checkpoint process.

The Local Government Act 1999, requires the Council to make arrangements to achieve best value in the exercise of its functions, which includes the works contained in the proposed procurement. While conducting the procurement and evaluating the bids, officers must satisfy themselves that the procurement process is in accordance with this principle.

The total value of this contract is £11,487m. Therefore, the decision to award the Contract will either need to be made at Cabinet or by the Leader of the Council as a Key Executive Decision. The decision will also need to be published on the forward plan and be subject to the Council's Call-in procedure in accordance with Part 4 of the Constitution and the Overview and Scrutiny Committee Procedure Rules.

FINANCIAL IMPLICATIONS AND RISKS

Haverling propose to deliver a comprehensive transformation programme for Beam Parkway, which will deliver an attractive urban street with enhanced public realm, environmental improvements, cycle and pedestrian routes at an estimated cost of £12.659m

This Executive Decision seeks authority for the Projects and Programmes Manager in Development (Regeneration) to begin a procurement process to identify a preferred bidder to carry out required construction works to deliver the A1306 Beam Parkway Linear Park scheme.

These costings were assessed as part of the Step 1 TfL Major Schemes proposal, and will be further assessed prior to the conclusion of Step 2.

Spend and funding have been identified as follows:

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	2016/17	2017/18	2018/19	2019/20	2020/21	2022/23	2023/24	2027/28	TOTAL
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Expenditure									
Design Cost	0.498	0.599	0.075						1.172
Implementation Cost			0.619	5.589	2.408				8.615
Implementation contingency (25%)			0.206	1.863	0.803				2.872
	0.498	0.599	0.694	5.589	2.408	0.000	0.000	0.000	12.659
Funding									
TFL Major Scheme Funding	0.498	0.599	0.750	-7.50 → 3.096	2.906				7.849
TLF Lip			0.150	0.150					0.300
GLA Grant				3.039	0.221				3.260
GLA Recoverable Grant				1.167	0.083	-0.550	-0.300	-0.400	0.000
s.106 Dovers Corner						0.500			0.500
s.106 Beam Park						0.557			0.557
s.106 (3 Schemes)						0.213			0.213
	0.498	0.599	0.900	7.452	3.210	0.720	-0.300	-0.400	12.679
any surplus funding will be used for related works	0.000	0.000	0.206	1.863	0.803	0.720	-0.300	-0.400	0.020

The following conditions apply to these funding sources:

The GLA grant funding has been agreed in the Housing Zone Overarching Borough Agreement that was approved by Cabinet on the 4th November 2015. The Executive Decision to accept the funding provided via the GLA BIA was signed on 31st January 2018.

£1.250m of the total £4.510m funding available is recoverable grant, which must be repaid by:

Agreed intervention milestone	Milestone date
repayment of £550,000	31 March 2023
repayment of £300,000	31 March 2024
repayment of £400,000	31 March 2028

The intention is that the recoverable grant (bridging grant) of £1.250m will be funded through future s106 receipts. All developments on the A1306 are subject to a contribution towards the Linear Park. This is policy in the Rainham and Beam Park Planning Framework 2016. The project will be delivered in phases that will enable up to five individual S106s to be utilised for each phase.

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£0.500m Dovers Corner ref P0922.15 (use within 10 years of receipt)
£0.577m Beam Park Coutryside (not signed)
£0.213m Various possible schemes identified.

In total, £1.270m of s.106 funding has currently been identified, of which £1.250m will be utilised for this scheme.

The LIP funding identified for the related projects are on the condition that expenditure is incurred by the end of each financial year.

This project will be closely monitored to ensure that all funding sources are maximised, and any surplus funding will be directed to other relevant priority schemes and reported as appropriate.

All spend is capital in nature, as the Beam Parkway scheme will create a new carriageway and boulevard which will be an asset for the Borough.

Risk

There is a risk of exposure to overspend if

- a) the annual TfL business plan does not have sufficient funding in future years (£6.002m) or b) the s106 receipts do not materialise (1.250m)

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

There are no direct HR implications or risks to the Council or its workforce that can be identified from the recommendations made in this report.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The procurement process will be carried out in accordance with the Council's Contract Procedure Rules. The preferred bidder will be expected to comply with the Council's policies in regard to equality and diversity, related to both service delivery and employment practice.

Primary and secondary research, technical studies and initial equality analysis show that the proposed Beam Parkway infrastructure project will have a very positive long-term impact on local residents and commuters across all protected characteristics.

Currently, communities living in the large and relatively deprived area between Dagenham Dock and Rainham experience a deficiency in amenity and social infrastructure, with an environment that appears defensive rather than inclusive. There is also a lack of accessible public transport, which significantly reduces access to job opportunities and increases social and economic exclusion in the area. Beam Parkway will enhance accessibility and provide new leisure opportunities for pedestrians and cyclists, users of the new Beam Park station, and new and existing local residents. The new park land and leisure facilities will act as a shared focus for the new Beam Park neighbourhood, reducing the current divisive nature of the A1306 carriageway. It is therefore envisaged that the proposed infrastructure project will reduce economic and social exclusion, deliver increasingly positive health outcomes, contribute to the regeneration of the wider London Riverside Opportunity Area and potentially deliver sustainable economic growth.

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An Equality Analysis, design work and consultation will be carried out to ensure that the construction of Beam Parkway complies with the required Health and Safety standards, accessibility and inclusive design requirements, and meets resident, visitor and commuter needs. Accessibility and inclusivity will be assessed at every stage of the project's progress and sub-projects will be subject to separate EAs, where required. Every effort will be made to minimise any potential temporary disruptions for local residents with protected characteristics.

BACKGROUND PAPERS

Beam Parkway Checkpoint 1 Report

Beam Parkway Procurement Strategy

GLA BIA A1306 Linear Park Key Executive Decision

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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

Delete as applicable

Proposal NOT agreed because

Details of decision maker

Signed 

Name: STEVE MOORE

Cabinet Portfolio held:

CMT Member title: DIRECTOR OF NEIGHBOURHOODS

Head of Service title:

Other manager title:

Date: 9-5-18

Lodging this notice

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

For use by Committee Administration

This notice was lodged with me on 11/5/2018.

Signed 

