

56/13 (+ exempt APP)



Havering
LONDON BOROUGH

Notice of KEY Executive Decision

| | |
|---|---|
| Subject Heading: | Approval of tender for Upminster Cemetery extension, for proposed engineering / construction works |
| Cabinet Member: | Cllr Lesley Kelly |
| CMT Lead: | Cynthia Griffin, Group Director Culture and Community |
| Report Author and contact details: | John Cook Client Project Manger John.cook@havering.gov.uk +441708433276 |
| Policy context: | <p>The council wishes to provide a burial service for local residents and those outside its confines</p> <p>A previous Cabinet decision approved the extension of further burial space within Upminster Cemetery. This is in order to address the problem that the burial capacity will be exhausted by September 2013.</p> |
| Financial summary: | <p>Financial Summary</p> <p>The report proposes the award of a contract to the value of £1,444,745, and provides a funding strategy.</p> |

Key Executive Decision

| | |
|--|---|
| Reason decision is Key | Reason for this being a key executive decision is; (a) The tender figure is above £500K |
| Date notice given of intended decision: | Notice of intended decision was given on or about 21/02/13 well in advance of the minimum one months' notice required. |
| Relevant OSC: | Towns & communities OSC |
| Is it an urgent decision? | Yes |
| Is this decision exempt from being called-in? | <p>Due to the time constraints of possible burial space running out by end of September and additional pressures from the Romford cemetery not being used to full capacity we have applied for the decision to be exempt from call in. This will enable the contractor chosen to start on site earlier and complete the works before the end of September.</p> <p>The Chairman of the Towns & communities OSC has agreed this decision on 18/04/13.</p> |

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

- Ensuring a clean, safe and green borough
- Championing education and learning for all
- Providing economic, social and cultural activity in thriving towns and villages
- Valuing and enhancing the lives of our residents
- Delivering high customer satisfaction and a stable council tax

Key Executive Decision

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

The contract for proposed engineering / construction works at Upminster Cemetery extension be awarded to Birse Civils Ltd.

AUTHORITY UNDER WHICH DECISION IS MADE

Part 3.3 of the Constitution (Contract Powers)

(b) to award all contracts with a total contract value between £156,000 and £5,000,000

STATEMENT OF THE REASONS FOR THE DECISION

It is good practice to tender all contract works to ensure value for money for the construction works. This contract will provide additional burial space in order that Upminster Cemetery still has available room for burials past September 2013.

We have an obligation to go out and secure services under competitive tendering arrangements.

The contract procurement rules were addressed in the request to tender (noted below)

*(a) The likely total cost and budget provision. **Anticipated construction cost £1.35M.***

*(b) The appropriate European procurement route. **This is below the EU procurement threshold, which comes under Schedule D - Contract between £174,000 and £5,000,000 which is not subject to European procurement legislation advertising requirements (i.e. Part B services, or works less than £4,340,000)***

*(c) The proposed tendering strategy and timetable **It is proposed that the tender will be an NEC 3 Option A (Priced Contract with Activity Schedule), based on a 60/40 price/quality evaluation model, as recommended by Jacobs. Time table is shown on the project master programme and is based upon achieving the September 2013 opening. A tender list will be drawn up from contractors listed within construction line who have relevant experience in groundwork's and sheet piling as recommended by Jacobs.***

Key Executive Decision

(d) The project team. John Cook, will be acting as Client PM under authority / direction from HOS and Project Board, the Project Management of the contract works will be carried out by Jacobs. The contract works will be carried by a main contractor / Engineering company using specialist sub-contractors.

(e) A summary of best value issues and any service improvement requirements. Best value will be achieved by going out to tender as outlined within item B above and ensuring good stakeholder engagement in the design of the works and future planned maintenance and running costs associated after.

(f) Application of TUPE. This does not apply

(g) Project risk assessment. A detailed project risk register for LBH risks has been developed and is being kept up to date within Project Board Meetings. Jacobs have also developed a project risk register surrounding the construction risks and LBH risks which is also monitored within the PBM noted above.

Following on with the returned tenders

Jacobs have assessed the tenders in the agreed format and compiled a tender evaluation report and presented this to Upminster Project Board on 17/04/13. This is attached as exempt Appendix 1.

Although the figures tendered were slightly higher than envisaged by Jacobs pre tender estimate it was explained that all five tenders had been submitted and were all within an accepted boundary and that the difference could be due to contractor risk costing which can only be evaluated by the contractors themselves

Board found that the tender process and evaluation had been carried out correctly by Jacobs and agreed to accept the **recommended tender from Birse Civils Ltd for £1,444,745.00**

OTHER OPTIONS CONSIDERED AND REJECTED

Option 1 – not to accept tender

This option was rejected, as a successful tendering process had been completed.

PRE-DECISION CONSULTATION

Previous extensive consultation has occurred surrounding the future business case for the cemetery and crematorium including developing further burial capacity with Members and closely associated stakeholders such as local funeral directors,

Key Executive Decision

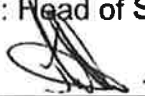
including a presentation of the planning application plans and construction sequencing.

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

Name: Jeff Potter

Designation: Head of Service

Signature:



Date: 18.4.2013

Key Executive Decision

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Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The tender process has followed the Council's procurement framework and the contract procedure rules and the procurement team were actively involved in the board's recommendation to accept the tender evaluation report.

There will need to be a formal contract for these works drawn up with Birse Civils Ltd if this ED is approved.

Stephen Doye

*Legal Manager (Litigation)
For and on behalf of Ian W. Burns*

FINANCIAL IMPLICATIONS AND RISKS

Cemetery extension

Financial Summary

The report proposes the award of a contract to the value of £1,444,745, and provides a funding strategy.

Financial Implications

This report is seeking approval to accept the tender of Birse Civils Ltd, to the value of £1,444,745.

Appendix A provides a summary of the financial position of the project, and indicates that further funding will be needed. The further prudential borrowing of £250k will be a revenue cost estimated at £48k, and there is a further £20k of income needed to bring the budget into balance. Detailed monitoring of income will be required in the coming months, with possible proposals for a fee increase in year to address this cost.

The increase in the overall size of the budget – ie the use of Improvement Fund and further prudential borrowing, will need the approval of Cabinet and Council at the earliest appropriate opportunity.

Key Executive Decision

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

There are no Human Resource implications or risks in this report

Julian Sivill

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The tendering process has been conducted in accordance with the Council's Procurement Framework.

No direct equalities or social inclusion implications and risks have been identified as a result of this decision.

Andreyana Ivanova
Diversity Advisor

BACKGROUND PAPERS

Background papers taken into account in the preparation of this executive decision.

Key Executive Decision

Part C – Record of decision

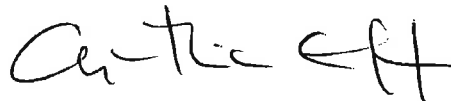
I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed



Details of decision maker

Signed 

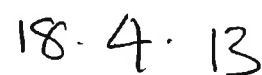
Name: 

Cabinet Portfolio held:

CMT Member title:

Head of Service title


Other manager title:

Date: 

Lodging this notice

The signed decision notice must be delivered to the proper officer, Ian Buckmaster, Committee Administration & Member Services Manager in the Town Hall.

For use by Committee Administration

This notice was lodged with me on 

Signed 

Upminster Cemetery - extension

Appendix A

Current Approved Funding

| | | |
|---|---------|-----------|
| Residual Budget | 594,995 | |
| <i>Add further funding agreed August 2012</i> | | |
| Prudential Borrowing | 941,800 | |
| Funding from Improvement Fund | 200,000 | |
| Extension supplementary - Cabinet Feb 13 | 45,000 | 1,781,795 |

Further proposed funding

Deferred/saved 13/14 capital schemes

| | | |
|---|--------|---------|
| EPA act renewal - already covered | 40,000 | |
| Memorial Installation - defer | 40,000 | |
| Chapel Audiovisual Technology - completed | 30,000 | 110,000 |

Improvement Fund 102,150

Further Prudential Borrowing 250,000

462,150

Total Funding Currently Available

2,243,945

Current Projected Spend

| | | |
|---|-----------|--|
| Cumulative Spend as at 17.04.13 | 528,531 | |
| Birse Civil Tender | 1,444,745 | |
| Contingency 10% of contact sum | 144,475 | |
| Jacobs hydrogeological and civils design, QS, contract and supervision costs | 51,394 | |
| Further Jacobs supervision costs | 60,000 | |
| Project Management | 9,800 | |
| Marketing/Communications | 5,000 | |

Total Projected Cost

2,243,945

Surplus/Deficit

0