

19/22

To Be Made.



Notice of KEY Executive Decision

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| Subject Heading: | Authorisation to award a contract to NC Construction Limited for the refurbishment of 20-22 Park End Road and 1-3 Widdecombe Close |
| Cabinet Member: | Councillor Robert Benham – Cabinet Member for Education, Children’s and Families and Deputy Leader of the Council |
| SLT Lead: | Tim Aldridge – Director of Children’s Services |
| Report Author and contact details: | Ian Saxby – Head of Technical Services Telephone: 01708 433529 Email: ian.saxby@onesource.co.uk |
| Policy context: | <u>Communities</u> We want to help our residents to make positive lifestyle choices and ensure a good start for every child to reach their full potential. We will support families and communities look after themselves and each other, with a particular emphasis on our most vulnerable residents. |
| Financial summary: | This report seeks authorisation to award a construction contract in the sum of £566,228.69. The Council has set aside an approved budget of £650,000 for the refurbishment of 20-22 Park End Road and 1-3 Widdecombe Close. Total cost for scheme to be contained within overall budget. |
| Reason decision is Key | Expenditure or saving (including anticipated income) of £500,000 or more. |
| Date notice given of intended decision: | March 2019 |

Key Executive Decision

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| Relevant OSC: | Children & Learning Overview and Scrutiny Committee |
| Is it an urgent decision? | No |
| Is this decision exempt from being called-in? | No |

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

- Communities making Havering
- Places making Havering
- Opportunities making Havering
- Connections making Havering

Key Executive Decision

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

That the SLT Member approves the award of the proposed contract for the refurbishment of 20-22 Park End Road and 1-3 Widdecombe Close, to NC Construction Limited, for the reason set out within the body of the report, at an estimated contract sum of £566,228.69.

AUTHORITY UNDER WHICH DECISION IS MADE

Constitution. 3.3 Powers of Members of the Senior Leadership Team.
Contract powers.

To approve commencement of a tendering process for all contracts with a total contract value of more than £500,000.

STATEMENT OF THE REASONS FOR THE DECISION

Six contractors from Construction Line were invited to tender on the basis of a Single Stage JCT Design and Build Contract 2016, with Council Supplemental Amendments. 4 contractors returned tenders and these have been assessed by a panel of officers from Technical Services and the Joint Commissioning Unit on a 30/70 quality /price basis as follows:

| | Technical 30% | Cost 70% | Total Score |
|--|----------------------|-----------------|--------------------|
| <i>Contractor A (NC Construction Services Ltd)</i> | 24.00% | 70% | 94.00% |
| <i>Contractor B</i> | 21.00% | 67.06% | 88.06% |
| <i>Contractor C</i> | 19.50% | 61.85% | 81.36% |
| <i>Contractor D (Disqualified)</i> | N/A% | N/A% | N/A% |

The tender submitted by NC Construction Limited is considered to be the most economically advantageous tender and is therefore recommended for approval.

The tender submitted by Contractor D was very poor fell below the minimum qualitative threshold. In addition to this, there were a number of clarifications regarding the pricing of the tender documents, that the contractor failed to satisfactorily address on a number of repeated occasions.

Provisional programme key dates as follows;

Contract Award 13th May 2019
Works commence 3rd June 2019
Works complete 29th July 2019

An overall project budget of £650,000 has been set aside for the construction of this project. This report is seeking to award a contract to NC Construction Services Limited in the sum of £566,228.69.

Key Executive Decision

OTHER OPTIONS CONSIDERED AND REJECTED

An option of undertaken an OJEU tender process was considered, but was rejected as the value of the contract was under the EU Threshold. Other suitable framework agreements were also considered, but rejected as it was considered better value for money to adopt the chosen route.

The building works are relatively straightforward and comfortably within the competence and capability of local contractors. This procurement route has resulted in value for money as evidenced by the comparative costs being evaluated by the EFA to be in the lower quartile of bids received.

PRE-DECISION CONSULTATION

Consultation has taken place with a number of relevant key stakeholders. In addition to this, consultation has taken place with the finance, legal and the Strategic Procurement Unit. Local residents were also consulted via the Planning Process and members were invited to approve the scheme as part of the Cabinet/ Full Council process.

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

Name: Ian Saxby

Designation: Head of Technical Services

Signature:

Date:

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

1. The Council has the general power of competence under section 1 of the Localism Act 2011 to do anything an individual may generally do, together with the power under section 111 of the Local Government Act 1972 to do anything ancillary to or which facilitates any of its functions. The contract may be procured in accordance with these powers.
2. Following the assistance of the Procurement unit, the client department has undertaken a tender process which is allowable under the Public Contracts Regulations 2015 ("PCR 2015") and the Council's Contract Procedure Rules ("CPR"), including the award selection using the MEAT criterion. The most economically advantageous tender (MEAT) criterion enables the contracting authority to take account of criteria that reflect qualitative, technical and sustainable aspects of the tender submission as well as price when reaching an award decision.
3. The Council's Contract Procures Rules 4 and 13 (Constructionline) set out the strategy for the procurement of Works contracts of below the EU threshold (currently £4,551,413 as of January 2018) in value to be submitted to a Member of SLT for approval of such contracts. The details of the evaluation compliance with the CPRs, for the award of this contract are set out with the body of this report.
4. This report is seeking the SLT Member's approval to award the contract to NC Construction Services Ltd, for the refurbishment of 20-22 Park End Road and 1-3 Widdecombe Close, for the reasons set out within the body of the report, at a contract sum of £566,228.69, with an estimated commencement date of 3rd June 2019. The proposed form of contract to be the JCT Design & Build Contract 2016 with the Council's Supplemental Amendments.
5. The Council's Contract Procedure Rule 3 provides that a contract may only be awarded if the expenditure has been included in approved revenue or capital estimates or has been otherwise approved by, or on behalf of the Council. The body of this report confirm the relevant financial implications arising from the Council's award of the contract.
6. The SLT Member will be aware of the Public Sector Equality Duty (PSED) set out in section 149 of the Equality Act 2010. At each stage, in exercising its function (and in its decision making processes) the council must have due regard to the need to:
 - a) eliminate discrimination, harassment, victimisation or other prohibited conduct;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it;
 - c) foster good relations between person who share a relevant protected characteristic and those who do not share it.

The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

7. The Legal and Governance officers are available to assist the client department in finalising the terms and conditions of the contract

Key Executive Decision

FINANCIAL IMPLICATIONS AND RISKS

Estimated Costs

| | |
|-------------------------|--------------------|
| Construction tender sum | £566,228.69 |
| Asbestos Removal | £7,150.00 |
| Structural Surveys | £1,200.00 |
| Professional fees | £57,457.87 |
| Client Contingency | £17,963.44 |
| Total Costs | £650,000.00 |

Funding for Scheme within Approved Capital Programme

| | |
|------------------------|-------------|
| Total budget for A2817 | £650,000.00 |
|------------------------|-------------|

Risks

As with most capital schemes, there is a risk that the scheme could overspend due to issues arising during the build process, however given the size of the works, any significant overspend is unlikely. Any small issues arising can be funded from the client contingency of £17,963.

As with all contracts there is a risk to contractor delivery/continued operation. However the contractor selection process has partly mitigated this risk, along with careful project management in the future.

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

There are no implications associated with this decision.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

These proposals do not have any equalities and social impact implications and risks.

BACKGROUND PAPERS

None

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

Delete as applicable

Proposal NOT agreed because

Details of decision maker

Signed

Name: Tim Aldridge, Executive Director of Children's Services

Date:

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 1/5/2019

Signed

J. J. M.

