## CABINET

**Subject Heading:** Beam Parkway – Award of Contract

**Cabinet Member:** Councillor Osman Dervish

**SLT Lead:** Neil Stubbings  
Director of Regeneration Programme Delivery

**Report Author and contact details:** Lauren Gee, Regeneration Officer, Economic Development. X1784  
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**Policy context:**  
- Mayors Transport Plan  
- Mayor’s London 2020 Vision  
- 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  
- London Borough of Havering Local Implementation Plan 2018

**Financial summary:** The contract value is estimated at £12.659m and is fully funded by TfL’s LiP and Major Schemes Programme and GLA Housing Zone grant.

**Is this a Key Decision?** yes  
(a) Expenditure or saving (including anticipated income) of £500,000 or more  
(c) Significant effect on two or more Wards
When should this matter be reviewed?

Reviewing OSC: Towns and Communities

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

- Communities making Havering [X]
- Places making Havering [X]
- Opportunities making Havering [X]
- Connections making Havering [X]

SUMMARY

This report seeks Cabinet’s approval to award the contract for design and construction of the A1306 Beam Parkway project, following an Official Journal of the European Union (OJEU) two-stage restricted tender process. The contract type is specified as NEC4 Engineering and Construction Contract (ECC) Option A.

Following Cabinet approval on the 24th September 2014 the Rainham and Beam Park Housing Zone bid was submitted to the Greater London Authority (GLA). The submission was successful and Havering’s status as a Housing Zone Borough was announced on the 25th June 2015. The Overarching Borough Agreement was entered into on 4th November 2015, with Cabinet approval. The Executive Decision to accept the funding provided via the GLA Borough Intervention Agreement was signed on 31st January 2018.

The transformation of the A1306 underpins the comprehensive Housing Zone vision, with the current multi-carriageway road being remodelled into a ‘boulevard’. This programme will create an entirely new road, providing new high quality green space, public amenities, and accessible pedestrian and cycle links which connect the new Beam Park centre with the surrounding area.

In 2015, the Council commissioned Steer (formerly Steer Davies Gleave) to produce a business case identifying objectives, key components, estimated costs and a delivery programme for the project, in order to fulfil the requirements of Transport for London’s (TfL) Major Schemes Step 1. This was approved in 2016, and the Step 2 process began, including 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. The Council was granted Step 2 approval in 2018, following two design reviews and two value engineering workshops to ensure that the design is as robust as possible and meetings all industry standards; and the Healthy Streets Performance Board.

The Supplier Questionnaire (SQ) which began the first stage of the tender process for the construction work was published on 27th June 2019. Following a 30 day response period, review and moderation, 6 contractors were invited to continue to the second stage. The Invitation to Tender (ITT) was published on 15th August 2019, with a six week response period ending on 26th September 2019 at noon.

The contract will be an NEC4 ECC Option A - a design and build contract with a fixed price for a fixed scope of works - with a break clause to allow the Council to decide whether to proceed with construction once the design phase has been completed and final costs identified, to avoid cost overruns.

This report follows a Checkpoint 1 approval and non-key executive decision seeking authority to begin the procurement process, and Checkpoint 2 approval to award the construction contract to the preferred contractor. It summarises the available funding, the tendering and evaluation process, the contract award proposal, and the Council’s proposed method of contract management.

**RECOMMENDATIONS**

That Cabinet:

**Approve** the award of the Beam Parkway ECC to Jackson Civil Engineering Limited.

**Delegate** to the Director of Regeneration Service Delivery, after consultation with the Leader, the authority to sign the contract.

**REPORT DETAIL**

1.0 **BACKGROUND**

1.1 In 2014 the Mayor’s Housing Strategy introduced the idea of Housing Zones as a new way to speed up the number of homes being built in areas of London with high development potential, the GLA launched the Housing Zone Prospectus. The Council submitted a bid on the 24th September 2014, including a commitment to enabling the delivery of a new residential community in Rainham and Beam Park. This bid was successful and Havering was confirmed as a Housing Zone Borough on the 25th June 2015.
1.2 The vision for Havering’s Rainham and Beam Park Housing Zone was set out in the initial proposal, including the target to transform the A1306 into a ‘boulevard’.

1.3 Housing Zones focus on place-shaping and creating a high quality environment for new residents, and ensuring well designed public space and infrastructure is in place to coherently bring together each individual new development is an important part of this. Funding was agreed with the GLA for £4.510m to enable the transformation of the A1306, referred to as ‘Beam Parkway’, in order to unlock housing development in the surrounding area. This funding is made up of recoverable and non-recoverable grant, with £1.250m of recoverable grant repayable via s.106 contributions following completion of the project.

1.4 In September 2015, a successful application was made to TfL’s Major Schemes programme to fund the remainder of the Beam Parkway carriageway transformation project.

1.5 The Beam Parkway transformation programme offers significant opportunities for residents and the local area:

Enhanced accessibility – changes to the A1306 carriageway will offer a more pleasant driving experience for motor vehicles. New pathways and cycle lanes will deliver improved links between Rainham Village and the new Beam Park centre, in addition to enhancing the North/South connectivity of the area.

History – Beam Parkway has an interesting and unique heritage which will be reflected in the landscaping, design and public art to increase social capacity and create a shared experience for the existing and incoming communities.

Holistic frontage – the Beam Parkway programme provides a unique opportunity to bring together the various different new developments along new road and provide them with a consistent, connective frontage.

Housing Zone – construction of Beam Parkway will direct and attract new investment and spending on development, infrastructure and environment as part of the wider Housing Zone, giving the area a pleasant residential feel.

Natural environment – the site has good access to the natural environment along the River Beam and River Ingrebourne and can extend the All London Green Grid. New parkland and natural space will encourage biodiversity, with a carefully chosen palette of native species which complement the surrounding area and the introduction of swales which provide a source of natural drainage whilst also encouraging new species and wildlife to flourish.
Public Health – provision of new amenity space, and improvements to air quality and accessibility should result in an improvement in public health outcomes in the local area.

Public transport – Beam Parkway will provide links between the new station at Beam Park and other local focal points, in addition to providing opportunities for new bus links.

Size The 2km stretch of carriageway is significant and offers an opportunity for interpretation of the neighbourhood which reflects the needs of users and the local community.

1.6 Challenges.

Flood risk – some sites are on low-lying land and are vulnerable to fluvial and tidal flooding. The inclusion of swales within the scheme addresses this challenge, providing a natural solution for areas of marshy land which will also help provide drainage for the surrounding areas.

Cost – whilst the detailed design has provided a basis for ascertaining scheme cost, this will not be fully determined until the end of the technical design phase, which requires contractor involvement.

Perception – the A1306 is seen as an alternative route to the A13 when traffic incidents occur, and a key stakeholder concern was that vehicle capacity will be compromised with the reduction in carriageway width. The design has taken into account traffic modelling and available relevant data to ensure that capacity is maintained and the traffic will flow effectively. The preferred contractor will support this with their input into the detailed technical design prior to start on site.

Existing uses – this road is over engineered and dominant and low quality uses fronting onto the street create a poor impression of the wider area. This will be addressed by the development of the Housing Zone, but it will be important to ensure consistency between the frontages of new development and the new Beam Parkway. Phasing of development and likely impact on the new carriageway and landscaping will also need to be considered.

2.0 Beam Parkway Design Programme

2.1 The Rainham and Beam Park Masterplan and Planning Framework was in development since March 2015 and was adopted as non-statutory planning policy by Cabinet in 2016. It also forms part of the evidence base of the forthcoming Local Plan. The principles within the framework were widely consulted upon with local residents, businesses and other stakeholders including the GLA, LB Barking and Dagenham, TfL and private sector development interests.
2.2 The Masterplan and Planning Framework document sets out the Council’s investment priorities in the area and demonstrates a clear vision supported by key design and development principles, including the transformation of the A1306 into a residential scale road to assist with facilitating housing development.

2.3 Design work for the A1306 Beam Parkway as part of TfL’s Major Schemes Step 2 process project began in 2016, with the development of a detailed design informed by the business case composed during Step 1. Step 2 includes 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. The conclusion of the Step 2 process will occur once the final construction costs are confirmed by the preferred contractor, following contractor involvement with the technical design.

2.4 Following business case approval by TfL, the scheme will progress to Step 3 – delivery of works. This is expected to commence in Q1 2020/21.

2.5 The detailed design comprises the following:

- 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

3.0 Consultation

3.1 The design of Beam Parkway has been prepared through a collaborative process with regular involvement from local Members, stakeholders, residents and neighbouring LB Barking and Dagenham, the GLA and TfL. Contributions made at these engagement events has helped to shape the design, and the contract and tender type.

3.2 An intensive two phase consultation exercise was undertaken over March and April 2015 and September to November 2015 to raise awareness of the
Housing Zone and gauge the support of local residents and stakeholders to the principles in the Housing Zone, including the development of Beam Parkway. The consultation process included a combination of:

- Member group briefings and meetings with local Ward Councillors and presentations to the Rainham, Wennington and South Hornchurch Working Group.
- Meetings with stakeholders
- Advertising the consultation process through an article in Living in Havering magazine and a brochure about the development, including a questionnaire, to all residents living in the vicinity of the masterplan area
- Creating a dedicated website with information about the proposals with the ability to raise questions and provide comments on the proposals.

3.3 Two Stakeholder Engagement Events for the overall Housing Zone, including Beam Parkway, took place on the 17th March and 6th October 2014 to gather views and ideas to feed into the vision and objectives for the masterplan, followed by resident drop in sessions at Rainham Library and Mardyke Community Centre in March and April 2015. Various stakeholders, who included key elected members, staff from the office of Jon Cruddas MP for Dagenham and Rainham, representatives from local businesses and community organisations, GLA, TfL and landholders took part in these hands-on masterplanning events.

3.4 Additional Stakeholder Engagement Events dedicated to Beam Parkway took place throughout June and July 2018 for specific stakeholder groups, in addition to general public events on 3rd July 2018 at the Mardyke Community Centre, and the 5th and 7th July 2018 at South Hornchurch Library. Consultation boards were set up in the library throughout the online consultation period, which ended on the 22nd July 2018.

3.5 Responses to the consultation were supportive overall, with residents and businesses welcoming plans for the transformation of the A1306.

3.6 Throughout the consultation process the approach of the project team has been to respond positively to consultation responses from local residents and other consultees and, where practicable, use these insights to inform and amend the proposals as they are reflected in the final design of the Beam Parkway scheme.

4.1 Planning Context

4.2 The Havering Core Strategy and Development Control Policies Development Plan Document was adopted in 2008 and sets out Local Planning policy. It identifies London Riverside as one of Havering’s key development areas.
4.3 Havering Council are currently producing a new Local Plan which, will set out both strategic and development management policies for Havering covering the period up to 2031/32.

4.4 The emerging Havering Local Plan (2016-31) and supporting documents were submitted to the Secretary of State for the Ministry of Housing, Communities and Local Government for independent examination on 27th March 2018. Examination took place between 9-18th October 2018. Following queries from the Inspector, a reconvened examination took place on 29-30th May 2019. The Plan is anticipated to be in place by early 2020.

4.5 The Local Plan sets out the vision for Beam Parkway in section 2.2.5, stating that:
“Rainham and Beam Park in the south of the borough will have been successfully transformed and a new high quality and healthy residential neighbourhood will have been delivered.”
“The character of New Road will have been transformed from a traffic dominated corridor into an attractive urban street with enhanced public realm and a linear parkway with safe and convenient cycle and pedestrian routes”.

4.6 Havering Local Plan Section 6 – Strategic Development Areas, Policy 2 further defines the requirements for Beam Parkway:
“A transformational project along the A1306 (Beam Parkway) between Dovers Corner and the Marsh Way junction creating an attractive, high quality green street consisting of links to facilitate active travel along this corridor, “pocket parks” and crossing points, to improve permeability of the A1306”.

4.7 The London Plan

4.8 The current London Plan sets out the Mayor’s spatial development strategy, illustrating the overall strategic plan for London by setting out an integrated economic, environmental, transport and social framework for the development of London over the next 20–25 years. On 10th March 2015, the Mayor adopted the Further Alterations to the London Plan (FALP). From this date, the FALP are operative as formal alterations to the London Plan and form part of the development plan for Greater London.

4.9 The London Plan has been updated to incorporate FALP. It also incorporates the Revised Early Minor Alterations to the London Plan (REMA), which were published in October 2013; and the Housing Standards and Parking Standards Minor Alterations, both published in March 2016. Policy 2.18 refers to increasing the network of green infrastructure and recognises the multitude of benefits which can be gained by ensuring good quality green infrastructure in London.
“The Mayor will work with all relevant strategic partners to protect, promote, expand and manage the extent and quality of, and access to, London’s
network of green infrastructure. This multifunctional network will secure benefits including, but not limited to, biodiversity; natural and historic landscapes; culture; building a sense of place; the economy; sport; recreation; local food production; mitigating and adapting to climate change; water management; and the social benefits that promote individual and community health and well-being.”

4.10 **London Riverside Opportunity Area Planning Framework**

4.11 In order to successfully regenerate London Riverside, the London Riverside Opportunity Area Planning Framework (LROAPF) seeks to provide clarity on the long-term land use aspirations for the area, so that its role and function in accommodating London’s growth are clear to potential developers and landowners. The LROAPF was adopted and became planning policy in November 2015.

4.12 The Beam Park / Rainham masterplan area is contained within the LROAPF. The London Plan sets out the strategic policy direction for the London Riverside Opportunity Area.

4.13 The LROAPF recognises that at Rainham along the A1306 corridor there is potential to deliver increased connectivity between open spaces, through the introduction of a multi-functional green space network and landscape structure which will sit at the heart of regeneration in the area.

5.0 **Key programme responsibilities.**

5.1 Key responsibilities of the appointed contractor will be as follows:

- Traffic control, including restricted hours of working
- Site clearance
- Provision of and alteration to highway drainage (including provision of new planted swales)
- Provision of new areas for pedestrian refuge, and footways
- Carriageway resurfacing works
- Reconstruction and construction of areas of hard landscaping
- Provision of a new extensive landscaping and planting scheme
- Installation of new kerbs, channels, edging etc. as required by these works
- Provision of and alteration to traffic signal infrastructure including associated electrical works
- Provision of and alteration to street lighting including associated electrical work
- Works arising from road safety audits pertinent to these works; and
- All ancillary works to the above, including provision of and alteration to existing and new utility services
6.0 Technical Studies

6.1 A number of technical studies have been undertaken to inform the design of Beam Parkway, added to other available data to give a complete picture of how the A1306 currently operates, and should operate in the future. These include:

- Air quality monitoring at four locations along the road
- Arboricultural survey
- Attitudinal survey
- Automatic traffic counters
- A13 traffic flow data
- Bus data
- CCTV data
- Crime analysis
- Degrees of saturation and saturation flows
- Demographics
- Ecological survey
- Google speed data
- Journey time surveys
- Manual classified traffic counts
- Noise (day and night time monitoring)
- Pedestrian and cyclist surveys
- Road safety collision data analysis
- Site visits
- Topographic survey of entire scheme area
- Traffic signal data
- Travel behaviour analysis (based upon 3 years of London Travel Demand Survey data)
- Underground utility survey of entire scheme area

6.2 The appointed contractor will bear the risk of all circumstances and contingencies which may influence or affect the works, having fully disseminated the information above in addition to inspection and examination of the site and its surroundings.
7.0  Procurement Process

7.1  A number of procurement options were considered for Beam Parkway. As the works value for Beam Parkway is in excess of the EU procurement threshold, a full OJEU process is required. Five main OJEU compliant options are available, dependent on timescale and client requirements:

- Open
- Restricted
- Competitive dialogue
- Competitive negotiation with OJEU advert
- Negotiation without OJEU advert

7.2  The restricted route is a two-stage process where any contractor may submit a Pre-Qualification Questionnaire (PQQ). These include enough information for the Council to shortlist a number of contractors with the corporate knowledge, skills and experience and organisational capability to deliver the project. The second stage allows contractors to submit a price and scheme specific method statements, including details of staff to be used on the project. In view of the level of detail available at the time of going out to tender, it was recommended that the restricted process was adopted. The full reasoning behind this is set out in the Procurement Strategy for Beam Parkway. Use of a two-stage restricted process was approved at Checkpoint 1 Panel on the 29th January 2018.

7.3  Following drafting and collation of all required documentation, a Prior Information Notice (PIN) advertising the intention of future planned procurement for Beam Parkway was published on 25th September 2018.

7.4  The two stage tender process was scheduled to run for 14 weeks, beginning with the issue of the SQ on 27th June 2019 and followed by the issue of the ITT for contractors successful at SQ stage on 15th August 2019. Management of the tender process has been undertaken via the CapitalESourcing procurement portal. The procurement timeline was as follows:
### Stage Dates / Times

<table>
<thead>
<tr>
<th>Stage</th>
<th>Date / Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>PIN Notice issued</td>
<td>25 Sep 18</td>
</tr>
<tr>
<td>OJEU Notice issued</td>
<td>27 Jun 19</td>
</tr>
<tr>
<td>SQ issued</td>
<td>27 Jun 19</td>
</tr>
<tr>
<td>Meet the buyer event 1</td>
<td>3 Jul 19</td>
</tr>
<tr>
<td>Meet the buyer event 2</td>
<td>17 Jul 19</td>
</tr>
<tr>
<td>SQ response deadline</td>
<td>31 Jul 19 - 12pm</td>
</tr>
<tr>
<td>Stage 1 evaluation and moderation</td>
<td>31 Jul – 9 Aug 19</td>
</tr>
<tr>
<td>ITT issued</td>
<td>15 Aug 19</td>
</tr>
<tr>
<td>ITT response deadline</td>
<td>3 Oct 19 – 12pm</td>
</tr>
<tr>
<td>Stage 2 evaluation</td>
<td>3 - 8 Oct 19</td>
</tr>
<tr>
<td>Clarification interviews (if required)</td>
<td>9 Oct 19</td>
</tr>
<tr>
<td>Moderation</td>
<td>11 Oct 19</td>
</tr>
<tr>
<td>Theme Board, Opportunities</td>
<td>21 Oct 19</td>
</tr>
<tr>
<td>Checkpoint 2</td>
<td>23 Oct 19</td>
</tr>
<tr>
<td>Leaders Briefing</td>
<td>28 Oct 19</td>
</tr>
<tr>
<td>Cabinet</td>
<td>13 Nov 19</td>
</tr>
<tr>
<td>Letters Issued</td>
<td>21 Nov 19</td>
</tr>
<tr>
<td>Standstill period (10 days, required for above threshold contracts)</td>
<td>21 Nov – 1 Dec 19</td>
</tr>
<tr>
<td>Contract Award</td>
<td>2 Dec 19</td>
</tr>
</tbody>
</table>

7.5 Two ‘Meet the Buyer’ events were held during the SQ period, on the 3rd and 17th July 2019. These events were designed to allow contractors to view the site, receive a briefing on the planned works, and go through the proposed contract. Four contractors attended the first event, and seven attended the second.

### REASONS AND OPTIONS

8.0 Reasons for the decision:
8.1 It is recommended that Members approve the award of the Beam Parkway ECC to Contractor I.

8.2 The tender process

8.3 The SQ was published on 27th June 2019 on CapitalESourcing, the Council’s designated procurement portal. The deadline for clarification questions was 12 noon 24th July 2019. The deadline for submission of tenders was 12 noon on 31st July 2019.

8.4 The following tender responses were received at SQ stage:

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Response</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractor A</td>
<td>Declined</td>
<td>No reason given</td>
</tr>
<tr>
<td>Contractor B</td>
<td>Declined</td>
<td>Unable to respond at this time</td>
</tr>
<tr>
<td>Contractor C</td>
<td>Declined</td>
<td>No reason given</td>
</tr>
<tr>
<td>Contractor D</td>
<td>Submitted</td>
<td></td>
</tr>
<tr>
<td>Contractor E</td>
<td>Submitted</td>
<td></td>
</tr>
<tr>
<td>Contractor F</td>
<td>Submitted</td>
<td></td>
</tr>
<tr>
<td>Contractor G</td>
<td>Declined</td>
<td>No reason given</td>
</tr>
<tr>
<td>Contractor H</td>
<td>Declined</td>
<td>No reason given</td>
</tr>
<tr>
<td>Contractor I</td>
<td>Submitted</td>
<td></td>
</tr>
<tr>
<td>Contractor J</td>
<td>Submitted</td>
<td></td>
</tr>
<tr>
<td>Contractor K</td>
<td>Declined</td>
<td>Due to current workload in tender team</td>
</tr>
<tr>
<td>Contractor L</td>
<td>Declined</td>
<td>Contract is too construction focussed for area of business</td>
</tr>
<tr>
<td>Contractor M</td>
<td>Declined</td>
<td>Cannot meet financial criteria</td>
</tr>
<tr>
<td>Contractor N</td>
<td>Submitted</td>
<td></td>
</tr>
<tr>
<td>Contractor O</td>
<td>Declined</td>
<td>Project value too large</td>
</tr>
</tbody>
</table>

8.5 Full SQ submissions were received from 6 contractors in total, and were evaluated on the basis of quality and portfolio from case studies.

The tender evaluation panel members at SQ stage were:

LB Havering, Projects and Programmes Manager
Steer, Associate
Norman Rourke Pryme, Director
Norman Rourke Pryme, Project Manager
LB Havering, Graduate Trainee Accountant

Following evaluation by panel members, a moderation exercise was undertaken by the Procurement team to identify any issues or discrepancies with the evaluations.

All 6 contractors scored above 50 (out of 100).

All 6 contractors were invited to continue to the second stage of the tender process.
The ITT was published on 15th August 2019. The deadline for clarification questions was 26th September. The deadline for submission of tenders was 3rd October 2019 at noon.

Full ITT submissions were received from 3 contractors, and were evaluated using a ratio of 60% quality and 40% price.

The tender evaluation panel members at ITT stage were:

LB Havering, Projects and Programmes Manager
Steer, Associate
Norman Rourke Pryme, Director
Norman Rourke Pryme, Project Manager

Following receipt of tender responses from the 3 contractors, an initial evaluation was carried out and tender clarifications were sent to each supplier for response.

The Public Contracts Regulations 2015 dictate that tender evaluation must be conducted in accordance with the process stated within the tender documents. The Council cannot evaluate anything that is not contained within the tender documents; and a tender is compliant if it satisfies all the conditions and specifications in the tender documents without substantially departing from, or attaching caveats to, the conditions or specifications.

Contractor N submitted a tender response that was not compliant and was therefore subsequently disqualified.

The scores of the remaining two suppliers: Contractor F and Contractor I following evaluation and moderation were as set out below:

<table>
<thead>
<tr>
<th></th>
<th>Contractor F</th>
<th>Contractor I</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial score</td>
<td>37.17%</td>
<td>40.00%</td>
</tr>
<tr>
<td>Quality score</td>
<td>44.00%</td>
<td>52.00%</td>
</tr>
<tr>
<td>Overall score</td>
<td>81.17%</td>
<td>92.00%</td>
</tr>
</tbody>
</table>

Subsequent to moderation by the Strategic Procurement Unit to check for any discrepancies, based upon the above scoring a decision was made to recommend award of the contract to Contractor I.

The proposed contract is a New Engineering Contract (NEC) type 4 ECC Option A. This is a formalised contract created by the Institution of Civil Engineers, specifically for civil engineering and construction projects. It defines the responsibilities and duties of the client and the contractor in the Works Information, set out in two key parts – the Contract Data part 1 (data provided by the Employer) and Contract Data part 2 (data provided by the Contractor). The NEC4 contract was introduced in 2017 to replace the previous NEC3 suite of contracts and as such is still fairly new to the industry.
8.10 NEC4 has a suite of contracts which can be tailored to meet project requirements. For Beam Parkway, the ECC Option A has been chosen. This is a design and construction based, priced contract with an activity schedule which will most effectively allow the Council to retain control of funding and timescales.

9.0 Other options considered:

9.1 Delay contract award until the Beam Parkway programme is fully designed, without early contractor involvement - due to the complex nature of the work, which involves landscaping and public art in addition to traditional carriageway works; and the tight timescale for completion, contractor input the design is significant as it will aid the speed of the work and assist in providing a bespoke design which can be effectively implemented. Not involving a contractor in the design is likely to cause programme delays once the on-site phase begins, and may also lead to additional unanticipated costs.

9.2 Appoint a contractor using an approved framework - TfL have two relevant frameworks available to the Council:

- London Highways Alliance Contract (LoHAC)
- TfL Major Projects Framework.

The LoHAC framework is an area-based contract with three contractors each covering approximately one-third of London and based around highways maintenance and schemes up to around £5m. It is understood that the Council would be required to use the area contractor covering the Havering Area. There is no option for further competition, and rates are based on the tendered LoHAC rates. Both the scope of work for Beam Parkway and the value of the contract are out of keeping with the LoHAC framework, and the lack of competition is a concern.

The TfL Major Projects framework has three large multi-disciplinary contractors who compete for work under a mini competition. The contract is based around large scale complex civil engineering works such as major junction schemes, station upgrades and bridges/tunnelling work, typically with a value of £10m upwards. Beam Parkway is therefore a good fit in terms of value, but not in terms of scope, where experience of landscaping, traffic management and liaison with developers is required. As there are only three contractors on the framework and one available contractor under LoHAC, and the Beam Parkway scope is not a good fit to either option, it was recommended that the Council do not use either of these frameworks.

Other construction frameworks are available within London, but there are no others that are suited to projects of this scale or scope of works. It was therefore recommended that the Council secures a contractor using an OJEU procurement process.
10.0 **Financial implications and risks:**

10.1 Havering 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.

10.2 This Cabinet Report seeks authority to appoint the preferred contractor to carry out required construction works to deliver the A1306 Beam Parkway Linear Park scheme, at an estimated cost of £12.659m. This cost has been produced as part of the tender process, taking into consideration the detailed design produced as part of Step 2, and the bill of rates proposed by the contractor.

10.3 All costings were assessed as part of the Step 1 TfL Major Schemes proposal, and were further assessed prior to the conclusion of Step 2. Further refinement will take place as part of the design stage of the contract.

Spend and funding have been identified as follows:
The specified contract is NEC4 ECC Option A. This is a design and build contract, with a break clause between the design element and the build element to allow the Council to end the contract following the design stage should the resulting project design be too costly, or issues with funding sources arise.

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 Borough Intervention Agreement was signed on 31st January 2018.

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

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<thead>
<tr>
<th>Agreed intervention milestone</th>
<th>Milestone date</th>
</tr>
</thead>
<tbody>
<tr>
<td>repayment of £550,000</td>
<td>31 March 2023</td>
</tr>
<tr>
<td>repayment of £300,000</td>
<td>31 March 2024</td>
</tr>
<tr>
<td>repayment of £400,000</td>
<td>31 March 2028</td>
</tr>
</tbody>
</table>
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.

Current s.106 identified is as follows:

- P0922.15 £0.500m Dovers Corner
- P1242.17 £0.577m Beam Park, Countryside
- P0251.17 £78,176 89-101 New Road
- P0726.17 £33,473 149-153 New Road
- P0782.17 £35,093 21 New Road
- P1058.17 £79,255 195-205 New Road
- P1239.17 £65,866 143 New Road
- P1241.17 £82,063 35-43 New Road

The Local Implementation Plans (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 Havering.

10.6 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)

10.7 Having a robust and adopted Planning Framework with clearly defined infrastructure requirements apportioned to development sites will significantly strengthen the Council’s position when negotiating with developers to achieve appropriate levels of S106 contributions.

10.8 Where S106 contributions are expected/required for a specific purpose, the Community Infrastructure Levy (CIL) documentation should clearly state that these items are not covered by the CIL, and consideration needs to be given to such matters in the production of CIL documentation as its implementation is progressed.

11.0 Legal implications and risks:
This report seeks Cabinet approval to award the “Beam Parkway Major Scheme” contract (the “Works”). The relevant background is as set out within the body of this report and the appendices to it.

The Council is a local authority and a best value authority with duties and powers to make arrangements to secure continuous improvement in the way it exercises its functions, pursuant to Part I of the Local Government Act 1999. The Council has a general power under section 1 of the Localism Act 2011 to do anything that individuals generally may do including the matters set out in this report.

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

Under paragraph 2.1(p) (General Functions of Cabinet) of Part 3 [Responsibility for Functions] of the Constitution the full Cabinet may, by delegation of the Leader of the Council, exercise an Executive function including the award all contracts above a total contract value of £10,000,000.

The value of the Works is above the EU threshold for works contracts, therefore compliance with Part 2 of the Public Contracts Regulations 2015 (PCRs) is required. Officers have adopted the Official Journal of the European Union (OJEU) restricted procurement route, including publication of a Prior Information Notice (PIN) as a call for competition; and have satisfied themselves that the procurement process is in accordance with the PCRs.

Tender submissions have been assessed against a 40% cost and 60% quality rating. This departure from the Council’s predetermined best price-quality ratio was approved through the Checkpoint 1 process, on 29 January 2018.

This decision is subject to the standstill period under the PCRs. The Works contract will be concluded on the NEC4 ECC Option A standard terms and conditions (as amended); in consultation with Legal Services. Following award, publication of a Contract Award Notice should be placed in the OJEU.

Human Resources implications and risks:

There are no direct human resource implications and risks to the Council or its workforce associated with a decision to award the contract to the preferred supplier. The workload associated with delivering the project can be met with existing in house resources.

Equalities implications and risks:
13.1 This procurement has been 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, in relation to both service delivery and employment practice.

13.2 Primary and secondary research, technical studies and equality analysis demonstrate that the proposed Beam Parkway infrastructure project will have a very positive long-term impact on local residents and commuters across all protected characteristics. The preferred bidder will be contractually committed to ensuring that any temporary negative impacts caused by the construction of the scheme are mitigated so far as possible, and positively and proactively dealt with through use of a clear works phasing programme, traffic management proposal, and an Employment and Skills Strategy which will be submitted during the ITT stage of the tender process.

13.3 Currently, the community 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. Accessible public transport is lacking, meaning that access to job opportunities is significantly reduced, causing increased social and economic inclusion in the area. The preferred bidder will be required to commit to providing access to training via apprenticeships, work placements through their supply chain, and links with suitable colleges and facilitators in order to create and maintain local jobs. In conjunction with the improved accessibility created through the construction of Beam Parkway, local people will acquire improved access to employment and leisure opportunities, which will act as a shared focus for the new Beam Park neighbourhood, reducing the current divisive nature of the A1306 carriageway.

13.4 It is therefore envisaged that the proposed works contract will assist in reducing social and economic exclusion, delivering increasingly positive health outcomes and contributing to the regeneration of the wider London Riverside Opportunity Area.

13.5 Following analysis of the design, and extensive stakeholder consultation, an equality analysis has been carried out to ensure 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.

13.6 Accessibility and inclusivity will be assessed at every stage of the construction programme process and sub-projects will be subject to separate equality analysis, where required. The preferred bidder will be required to make every effort to minimise any potential temporary disruptions for local residents with protected characteristics.
Appendix 1 - Beam Parkway Procurement Strategy