

## Notice of Key Executive Decision

<b>Subject Heading:</b>	Authorisation to award a contract for the extension of Upminster Cemetery Phases 2&3
<b>Cabinet Member:</b>	Councillor Damien White – Leader of the Council
<b>SLT Lead:</b>	Barry Francis - Director of Neighbourhoods
<b>Report Author and contact details:</b>	Ian Saxby – Head of Technical Services Telephone: 01708 433529 Email: <a href="mailto:Ian.Saxby@onesource.co.uk">Ian.Saxby@onesource.co.uk</a>
<b>Policy context:</b>	It is estimated, based on current demand, burial space at Upminster Cemetery will run out in approximately 4 years. If the Council wishes to continue to offer burial within Havering, provision must be made for additional burial space.
<b>Financial summary:</b>	This report seeks authorisation to award a contract up to the value of £5,050,000 contained within the overall budget of £5,500,000 as previously agreed by Cabinet as part of the Council's Medium Term Financial Strategy.
<b>Reason decision is Key</b>	Expenditure or saving (including anticipated income) of £500,000 or more.
<b>Date notice given of intended decision:</b>	May 2020
<b>Relevant OSC:</b>	Overview and Scrutiny Board
<b>Is it an urgent decision?</b>	No
<b>Is this decision exempt from being called-in?</b>	No

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

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

### Part A – Report seeking decision

## **Key Executive Decision**

### **DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION**

That the Lead Member approves the award of the proposed contract to Jacobs Ringway Limited for the reason set out within the body of the report, at a maximum value of £5,050,000, with an estimated start date in August 2020. The works relate to the extension of Upminster Cemetery (Phases 2&3).

The proposed form of contract to be an NEC 3 Engineering and Construction Contract, with the Council's Supplemental Amendments.

### **AUTHORITY UNDER WHICH DECISION IS MADE**

Constitution. 2.5(h) Powers of Cabinet Members and the Leader.

Contract powers. To award contracts, agree extensions of contract terms and awards/extensions of Consortia contracts of a value above £5,000,000 and up to £10,000,000 and contracts where external funding is guaranteed and there is no longer term financial commitment to the Council.

### **STATEMENT OF THE REASONS FOR THE DECISION**

The London Borough of Havering currently has four cemeteries: at Rainham, Hornchurch, Romford and Upminster. The cemeteries at Rainham and Hornchurch have no new graves, and therefore burials can only take place in existing family graves (referred to as 're-openers'). The cemetery at Romford has some capacity, which is expected to provide graves for approximately a further 5 years. The last extension to Upminster Cemetery (Phase 1) was completed in 2014. This previous extension of the cemetery at Upminster was agreed by Cabinet in July 2011.

A piece of land of 5.5 hectares was identified adjacent to the existing cemetery, sufficient to provide burial space for approximately 30 years at that time. To date only phase 1 of this land has been developed. A report was approved by Cabinet on the 18<sup>th</sup> September 2019 which agreed to the further extension of Upminster Cemetery (Phases 2 & 3). This report sets out the overall business case to extend Upminster Cemetery. An overall project budget of £5,500,000 has been agreed to carry out these works as part of the Council's Medium Term Financial Strategy.

Bereavement Services is an incoming generating service, generating in 18/19 a total of £4,459,132 in income. Of this, £2,460,626 is attributed to the Crematorium element of the service, £1,159,300 attributed to the Cemeteries service and £839,206 to Bereavement Customer Services (selling & renewal of various memorial products).

Phases 2 & 3 of the extension site at Upminster will provide additional space for approximately 4,425 graves, which are worth, in monetary value, at least £17m (this is a conservative estimate, based on current resident fees, for an adult interment, taking the mean cost of a lawn and traditional grave, and taking the average cost of the exclusive rights of burial for 50 years, not taking into account that fees are doubled for non-residents). At the current burial rate, it will therefore take approximately 6 – 7 years to re-coup the capital investment for this expansion project.

It should also be noted that over and above the anticipated number of graves phases 2 & 3 will provide, the service plan to introduce some new burial products (which could include products such as bricked graves, private family gardens and mausoleums) currently not offered by Havering, within the extension site. A transformation saving has already been agreed for this. In addition it will allow the service to extend provision of other alternative burial products, mini headstones, which the service have already introduced in phase 1, and

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which have proved very popular. The mini-headstone product allows the burial of cremated remains in smaller spaces that are not big enough for full body burial and would not otherwise be utilised.

- i) The total cost of this project is estimated to be in the order of £5.5million and a breakdown is included within the financial section.
- ii) Approval has been received at Checkpoint 1 and Checkpoint 2 stages to undertake the procurement of this project and to award it.
- iii) It is proposed to procure these works using an NEC 3 Engineering and Construction Contract, with the Council's Supplemental Amendments.
- iv) The estimated contract cost is £5,050,000. This is above the threshold required by OJEU threshold levels for Work related contracts and as such the procurement is subject to the full EU tender requirements under the Public Contracts Regulations 2015. It is therefore proposed to procure this project through a direct award process, via the Transport for London (TfL) London Highways Alliance Contract (LoHAC) Framework Agreement. The framework is a single supplier framework which has three area based lots. Lot 2 (Northern Area) covers a number of London Borough's including the London Borough of Havering. This approach has been agreed with Corporate Procurement. This framework agreement has also previously been successfully used for a variety of civil engineering base projects within the London Borough of Havering.
- v) It is proposed that an independent Quantity Surveyor will be employed as part of the project team. The quantity surveyor will ensure that adequate benchmarking is undertaken in relation to each of the sub-contractor packages to ensure that value for money is being achieved.
- vi) Provisional Programme key dates are as follows:

Completion of detailed design information	May 2020
Submission of updated planning documents	May 2020
Ecology Surveys	March – June 2020
Initial engagement of contractor and pricing via LoHAC	May 2020
Archaeological trial trenching	July 2020
Agreement of final contract sum	July 2020
Contract Award	August 2020
Contractor Mobilisation	August 2020
Contract Commencement on site	Sept 2020
Contract Completion	Oct 2021

- vii) The project team will comprise staff from Technical Services, Bereavement Services and Procurement along with a number of externally appointed consultants including an independent quantity surveyor.
- viii) TUPE does not apply.
- ix) Project Risks
  - a. Ability to procure main contract within timescale. A detailed project programme has been produced, which shows that the timescales are realistic.
  - b. Main contractor willingness/ availability to work in challenging circumstances: capability to adapt site operations with new COVID19 Method of Statement.

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This issue has been discussed with the contractor and will not be an issue unless the current situation changes.

- c. Price received may exceed financial allocation. A project contingency is included within the overall budget.
- d. Programme may be unachievable due to unforeseen circumstances. Regular progress meetings will take place with the contractor to ensure that progress is monitored and any issues are dealt with swiftly.

### **OTHER OPTIONS CONSIDERED AND REJECTED**

In arriving at this proposed procurement route, the following options were considered

1. Do Nothing – Rejected, as this will not provide the required burial space in Havering.
2. Constructionline – rejected, as the works are likely to be above the EU Threshold.
3. Full OJEU Procurement Process – Rejected, as there is insufficient time to meet the programme requirements and there are significant procurement costs associated with a full OJEU process.
4. Use an existing Framework Agreement – proposed, as this will allow the works to be undertaken within the required timescales.

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

Name: Ian Saxby

Designation: Head of Technical Services

Signature:



Date: 5<sup>th</sup> June 2020

## **Part B - Assessment of implications and risks**

### **LEGAL IMPLICATIONS AND RISKS**

1. As a Burial Authority under section 214 of the Local Government Act 1972, the Council may provide cemeteries whether inside or outside its area. Technical Services seek to award this contract in accordance with this power.
2. The Framework appears to be compliant with the Public Contracts Regulations 2015. The Contract Award Notice (OJEU Ref: 13/S 124-212073/EN) was dispatched on 25 June 2013. The Framework itself was launched in 2013 and due to the 8 year term, participating authorities have until 2021 to call-off from this Framework.
3. The Council's Contract Procedure Rules confirm that all subsequent purchases under a framework shall either not require further competition (if a single supplier) or, if there are two or more suppliers for those goods or services on the framework, follow the express framework provisions for choosing a supplier.
4. As the contract value exceeds £150,000 the contract must be executed as a deed by the affixing of the Council's seal. The call-off contract must therefore be sent to Legal

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Services to be executed.

**FINANCIAL IMPLICATIONS AND RISKS**

Estimated Costs and Funding is set out below:

	£
Estimated Contract Sum	4,550,000
Professional Fees	450,000
Surveys and investigations	150,000
Contingency	350,000
<b>Total Costs</b>	<b>5,500,000</b>
<b>Total Funding</b>	<b>5,500,000</b>

**Risks**

There is a risk that the price obtained will exceed estimations. The contract will only be awarded up to the agreed maximum value as detailed within this document.

As with most capital schemes, there is a risk that the scheme could overspend due to issues arising during the construction process. Any small issues arising can be funded from the project contingency.

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 Human Resources implications associated with this decision.

**EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS**

There are no Equalities and Social Inclusion implications associated with this decision.

**BACKGROUND PAPERS**

None

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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

**Details of decision maker**

Signed

Name: Councillor Damien White – Leader of the Council

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 \_\_\_\_\_

Signed \_\_\_\_\_