

Notice of Non-key Executive Decision

Subject Heading:	YOS - Youth Offending Office – Internal Alterations- authority to award a contract for the Design and Build of Works
Cabinet Member:	Councillor Robert Benham, Lead Cabinet member for Education, Children and Families and Deputy Leader of the Council
SLT Lead:	Robert South, Director of Children’s Services
Report Author and contact details:	Paola Crivello, Architectural Officer, Asset Management 01708 433905 Paola.Crivello@OneSource.co.uk
Policy context:	Communities making Havering
Financial summary:	The successful quote for this project is £112,630.60. Initially £100,000 was granted from the capital budget for this scheme (A3510) subsequently, an additional £50,000 funding has been granted from the same budget.
Relevant OSC:	Overviewing Scrutiny Board
Is this decision exempt from being called-in?	Yes, This is a non-key decision

Non-key Executive Decision

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

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

Non-key Executive Decision

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

This report seeks approval to award a works contract to HBS Ltd for internal layout improvements to the existing youth offending offices at 10n Hedley Close Romford, for the reason set out within the body of the report, at an estimated contract sum of £112,630.60. However The YOS intends to use the balance between the total funding and the revised total of the VE works to carry out as many as possible of the items omitted during the Value Engineering exercise.

AUTHORITY UNDER WHICH DECISION IS MADE

Power to authorise the award is delegated to members of the Senior Leadership Team under Part 3 (Responsibility for Functions), Paragraph 3.4 of the Council's Constitution as follows:

Contract powers

- (a) To approve commencement of a tendering process for, and to award all contracts below a total contract value of £500,000 but above the EU Threshold for Supplies and Services.

STATEMENT OF THE REASONS FOR THE DECISION

Five contractors from Constructionline were invited to tender via CaptalESourcing on the 06.07.20 on the basis of a Single Stage JCT Design and Build Contract 2016 with amendments. Two offers were returned and these have been assessed by a panel of officers from Technical Services and the strategic procurement unit on a 30/70 quality /price basis as follows:

	Technical %	Cost %	Total Score	Ranking
HBS	24%	68.047%	92.047%	1
Contractor B	18%	70.0%	88.00%	2

Unfortunately the awarding cost in conjunction with the Technical Services revised fees would not be covered by the funding available. A Value Engineering exercise was then carried out and the return quotes have been evaluated as follows:

	Technical %	Cost %	Total Score	Ranking
HBS	24%	68.914%	92.914%	1
Contractor B	18%	70.0%	88.00%	2

The 1st ranking MEAT (HBS Ltd) bidder is the successful contractor and is considered to be the most economically advantageous tender and is therefore recommended for approval.

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YOS – INTERNAL ALTERATIONS – Tentative Programme of the Works

<i>Contract Award</i>	<i>January 2021</i>
<i>Commencement of the Works</i>	<i>January 2021</i>
<i>Envisaged End of Works</i>	<i>April 2021</i>
<i>Handover and Contract Closure</i>	<i>April 2021</i>

OTHER OPTIONS CONSIDERED AND REJECTED

1. **DO NOTHING** – The YOS offices need updating/ works done because the current layout of the premises is not fit for purpose/ sufficient/ does not make full use of the premises
2. **CHANGE PREMISES** – this is not viable as the actual location of the YOS is ideally central and because the service is well established where it is. Also the cost and disruption of moving would outweigh the cost of the refurbishment and the YOS offices would still need to be updated in order for another service to utilise them.

PRE-DECISION CONSULTATION

Consultation has taken place with a number of relevant key stakeholders such as YOS team and Children Service Managers. In addition to this, consultation has taken place with finance, legal and the Strategic Procurement Unit. 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: Paola Crivello

Designation: Architectural Officer

Signature:



Date: 13.01.21

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

1. 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 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, including the matters set out in this report.
2. The contract may be procured in accordance with these powers.
3. Under paragraph 3.4 (Powers of Members of Second Tier Manager) of Part 3 [Responsibility for Functions] of the Council's Constitution, members of the Second Tier Management have delegated authority to approve commencement of a tendering process for, and to award all contracts below a total contract value of £500,000 but above the EU Threshold for Supplies and Services.
4. The proposed contract value is below the EU threshold for works contracts (currently £4,551,413) and accordingly is not subject to the full rigours of the Public Contracts Regulations (PCR) 2015. The procurement needs only to comply with the treaty principles of equal treatment, non-discrimination and transparency and the Council's Contract Procedure Rules (see CPR 13, 18 and 24).
5. Officers have undertaken a tender process which is permissible under the PCR and the Council's Contract Procedure Rules (CPR). The officers have included the most economically advantageous tender (MEAT) criterion within the selection criteria, which allows the contracting authority to take into account criteria that reflect qualitative, technical and sustainable aspects of the tender submission as well as the price when reaching an award decision.
6. CPR13 (Constructionline) sets out the strategy for the procurement of works contracts which are below the EU threshold. The tender has been carried out in compliance with CPR 13.
7. CPR 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 confirms the relevant financial implications arising from the Council's award of the contract.
8. Legal officers are available to assist the client department in finalising the terms and conditions of the proposed contract.

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FINANCIAL IMPLICATIONS AND RISKS

CAPITAL IMPLICATIONS

ED Approved Funding		Revised Funding Required	
D&B Contract Estimate	£ 79,339	D&B Tendered Value (VE)	£ 112,630.60
Tech. Serv. Fees	£ 17,801	Revised Tech. Serv. Fees	£ 11,263.06
Total	£ 97,140	Revised Total	£ 123,893.66

Funding for Scheme

Original Budget for YOS Internal Alterations Project	£ 100,000
Additional Approved Funding	£ 50,000
Available funding for the YOS Internal Alterations Project	£ 150,000

The YOS intends to use the balance between the total funding and the revised total of the VE works to carry out as many as possible of the items omitted during the Value Engineering exercise.

Risks

As with most Corporate and Capital schemes, there is a risk that the scheme could overspend due to issues arising during the build process, this risk is mitigated via a contract administration procedure as set out within the JCT Design and Build 2016 (with Amendments) that provides constant monitoring and final cost forecasting. Any issues arising can be funded from the client contingency sum.

There exists a risk of delays as with any major building project, but this will be mitigated by a scrutinised critical path programme issued to the Contract Administrator and all the shareholders and reviewed against the on-site progress at four weekly and ad hoc meetings.

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.

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EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have 'due regard' to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, and sexual orientation.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

An EqHIA (Equality and Health Impact Assessment) is usually carried out when a current or planned service/policy/activity is likely to affect staff, service users, or other residents. It is acknowledged that in emergency or urgent situations it will not always be possible to carry out an EqHIA in advance of a relevant activity, however, managers will undertake the required EqHIAs at the earliest opportunity. Where managers are already clear that protected groups/users will be impacted negatively by the intended activity, then this will be noted in the next paragraph and/or put into EqHIAs. Where the negative impact of the intended activity can be mitigated, this too should be set out in this report and/or the EqHIA.

In all situations, urgent or not, the Council will seek to ensure equality, inclusion, and dignity for all.

BACKGROUND PAPERS

List here the background papers taken into account in the preparation of this executive decision:

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

Delete as applicable

Details of decision maker

Signed



Name: Robert South

Director of Childrens Services, London Borough of Havering

Date: 13.01.21

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 _____