

## Notice of Non-key Executive Decision

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|--|--|
| <b>Subject Heading:</b>                              | Harold Hill Library - New Community Hub - Authority to Award a contract for the Design and Build of Works            |
| <b>Cabinet Member:</b>                               | Cllr Viddy Persaud<br>Lead Cabinet Member for Communities  |
| <b>SLT Lead:</b>                                     | Jane West, Chief Operating Officer   |
| <b>Report Author and contact details:</b>            | Paola Crivello, Architectural Officer, Asset Management<br>01708 433905<br>Paola.Crivello@OneSource.co.uk            |
| <b>Policy context:</b>                               | The establishment of Community Hubs fits in with the Council's Transformation Policy                                 |
| <b>Financial summary:</b>                            | The successful quote for this project is £266,627.74<br><br>This will come from the Community Hub budget cost C30950 |
| <b>Relevant OSC:</b>                                 | Towns and Communities  |
| <b>Is this decision exempt from being called-in?</b> | Yes, this is a non-key decision  |

**Non-key Executive Decision**

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

|                               |                                     |
|-------------------------------|-------------------------------------|
| Community making Havering     | <input checked="" type="checkbox"/> |
| Place making Havering         | <input checked="" type="checkbox"/> |
| Opportunities making Havering | <input type="checkbox"/>            |
| Connections making Havering   | <input type="checkbox"/>            |

## **Part A – Report seeking decision**

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

To approve the award a works contract to Valuegrade Ltd for internal layout alterations to the existing mezzanine level at Harold Hill Library, 19A Farnham Road, Harold Hill, Romford

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

Power to authorise the award is delegated to Second Tier Managers under Part 3 (Responsibility for Functions), Paragraph 3.4 of the Council's Constitution as follows:

#### **Contract powers**

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

Power to authorise the award is delegate to Second Tier Managers under Part 4 [Contract Procedure Rules] of the Constitution paragraph 16.3:

'Works contracts in respect of the Council's buildings and assets where the total contract value is between the EU threshold for Supplies and Services and the EU threshold for Works are awarded by Second Tier Managers.'

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

The Council is seeking to pilot the development of community hubs to enhance locality-based services for residents – two pilot locations have been proposed, one being Harold Hill Library, using the mezzanine level which had previously only been completed to a shell level.

Six contractors from Constructionline were invited to tender via CapitalESourcing on the basis of a Single Stage JCT Design and Build Contract 2016 with amendments. Three 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:

|                     | <b>Technical %</b> | <b>Cost %</b> | <b>Total Score</b> | <b>Ranking</b> |
|---------------------|--------------------|---------------|--------------------|----------------|
| <b>Contractor A</b> | 22.8%              | 61.236%       | 84.04%             | 3              |
| <b>Contractor B</b> | 20.4%              | 66.122%       | 86.52%             | 2              |

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|                       |     |         |        |   |
|-----------------------|-----|---------|--------|---|
| <b>Valuegrade Ltd</b> | 24% | 70.000% | 94.00% | 1 |
|-----------------------|-----|---------|--------|---|

From the three bids that were returned Valuegrade was the highest scoring bidder.

Unfortunately, the initial tender, inclusive of fees, exceeded the funding available and upon advice of the SPU, Valuegrade were invited to conduct a value engineering exercise. Following this Valuegrade submitted a revised quote of £266,627.74. which is within the available budget.

The 1<sup>st</sup> ranking bidder, Valuegrade Ltd is considered the most economically advantageous tenderer and is therefore recommended for approval.

Provisional Programme

|                               |               |
|-------------------------------|---------------|
| Contract Award                | May 2021      |
| Commencement of the Works     | June 2021     |
| Envisaged End of Works        | November 2021 |
| Handover and Contract Closure | November 2021 |

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

1. **DO NOTHING** – The implications of a ‘do nothing’ option would result in the Council having to explore alternative ways in which to provide services and to make savings / efficiencies. Locality working would continue to be taken forward by the Council and partner organisations; however, the opportunity to engage local communities by using hubs as a catalyst for the re-provision and rethinking of services would be lost. This option would not enable the Council to deliver the benefits identified within the Community Hubs Business Case, in particular those that support the ambition to develop resilient communities and make best use of assets / community facilities.

### **PRE-DECISION CONSULTATION**

Consultation has taken place with a number of relevant key stakeholders such as residents, Council teams and the community voluntary sector. 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.

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

Name: Paola Crivello

Designation: Architectural Officer

Signature:

A handwritten signature in black ink, appearing to read 'Paola Crivello', written over a light blue rectangular background.

Date: 30.04.21

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

### **LEGAL IMPLICATIONS AND RISKS**

1. This report seeks to award a works contract to create a community hub on the mezzanine at Harold Hill library.
2. 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.
3. In accordance with Part 3 (Responsibility for Functions), Paragraph 3.4 of the Council's Constitution power is delegated to Second Tier Managers to award all contracts below a total contract value of £500,000 but above the EU Threshold for Supplies and Services.
4. Under paragraph 16.3 (Pre-Award Report) of Part 4 [Contract Procedure Rules] of the Council's Constitution works contracts in respect of the Council's buildings and assets where the total contract value is between the EU threshold for Supplies and Services and the EU threshold for Works are awarded by Second Tier Managers..
5. 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 22).
6. 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.
7. 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.
8. 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

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confirms the relevant financial implications arising from the Council's award of the contract.

9. Legal officers are available to assist officers in finalising the terms and conditions of the proposed contract.

## **FINANCIAL IMPLICATIONS AND RISKS**

### **CAPITAL IMPLICATIONS**

| ED Approved Funding   |           | Revised Funding Required           |                     |
|-----------------------|-----------|------------------------------------|---------------------|
| D&B Contract Estimate | £ 228,800 | <b>D&amp;B Tendered Value (VE)</b> | <b>£ 266,627.74</b> |
| Tech. Serv. Fees      | £ 21,200  | <b>Revised Tech. Serv. Fees</b>    | <b>£ 26,662.77</b>  |
| Contingency           | £ 35,000  |                                    |                     |
| Total                 | £ 285,000 | <b>Revised Total</b>               | <b>£ 293,290.51</b> |

### Funding for Scheme

Original Budget for Harold Hill Library Mezzanine Floor new Community Hub Internal Alterations Project £ 285,000

**Available funding for the Harold Hill Library Mezzanine Floor new Community Internal Alterations Project £ 285,000**

The agreed funding for the project of £285,000 is included within the approved capital budget for 2021/22.

Although the allocated funding is short of £ 8,290.51, this can be funded from the Community Hubs Budget. Included in the proposed quote there is also a contingency of £28,000.

### **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 stakeholders and reviewed against the on-site progress at four weekly and ad hoc meetings.

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As with all contracts, there is a risk to contractor delivery/continued operation. However, the contractor selection process has partly mitigated this risk through the technical questions, 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**

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.

The proposed community hub facility will enable locality-based services for residents and the accommodation will be fully accessible to customers/staff with disabilities.



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**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

**Details of decision maker**

Signed



Name: Mark Butler

Director of Asset Management

Date: 30.04.21

**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 \_\_\_\_\_