



## Notice of Non-key Executive Decision

<b>Subject Heading:</b>	<i>Refurbishment and alterations to Office Blocks at Central Depot - authority to award a contract for the Design and Build of Works</i>
<b>Decision Maker:</b>	<i>Mark Butler, Director of Asset Mgt</i>
<b>Cabinet Member:</b>	<i>Councillor Barry Mugglestone – Cabinet Member for Environment</i>
<b>SLT Lead:</b>	<i>Andrew Blake-Herbert, Chief Executive Officer</i>
<b>Report Author and contact details:</b>	Nicola L. Prandini, Architecture Manager, Asset Management 01708 432142 nicolalorenzo.prandini@havering.gov.uk
<b>Policy context:</b>	The Council has just awarded the new waste management contract. This will necessitate relocating the refuse fleet servicing the contract to Central Depot, which is one of the Borough's existing depot sites. Some civil works are being carried out to the site under a separate contract. This contract is for the refurbishment and alteration of the office blocks to suit the new requirements of the services.
<b>Financial summary:</b>	<i>The successful tender firm price is of £401,900.85 which is within the approved budget envelope.</i>
<b>Relevant OSC:</b>	<i>Places OSC</i>
<b>Is this decision exempt from being called-in?</b>	<i>Yes, exempt from call in as it is a non-key decision</i>

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

People - Things that matter for residents

X Place - A great place to live, work and enjoy

Resources - A well run Council that delivers for People and Place.

## 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 refurbishment and alterations to existing office blocks at the Central Depot, 423 Rainham Road, Hornchurch, for the reason set out within the body of the report, at an estimated contract sum of £401,900.85.

### AUTHORITY UNDER WHICH DECISION IS MADE

#### 3.4. Powers of Second Tier Managers

##### 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

#### *Background*

The Council has just awarded the new waste management contract. This will necessitate relocating the refuse fleet which is servicing the contract to Central Depot, one of the Borough's existing depot sites. Some civil works are being carried out to the site under a separate contract. This contract is for the refurbishment and alteration of the office blocks to suit the new requirements of the services.

As part of the measures needed to locate the new waste management contractor, the Central Depot site has been identified as the most central, convenient and suitable site to host this service. In addition to this, it is noted that any improvements to buildings on site will be beneficial for the Council long term as these are improvement to current assets and not additional purchases/leases.

In order to locate the new waste management contractor four tasks had to be considered and actioned:

1. The Highways Maintenance Team had to be relocated away from the Central Depot, thus freeing up office and depot space;
2. The Passenger Transport Services (PTS) had to relocate both its office and its parking space to a different area within the Depot;
3. Civil work improvements to the Depot hardstanding facilities;
4. Refurbishment and alterations of the two office blocks to suit the new services being housed there. In particular PTS had to relocate from Block A to Block B

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and Block B has to be altered to suit the specific needs of the waste management contractor.

### *The scope of the works*

The purpose of the architectural works is to accomplish the following deliverables:

REFURBISHMENT, BLOCK A - to provide:

- a. 1 No. new Unisex WCs / Showers;
- b. 1 No. Locker Room;
- c. New Reception Hatch;
- d. Existing Floors retained and deep cleaned (offices, meeting room);
- e. Existing Ceiling retained and made good (reception, offices, meeting room, kitchen);
- f. Existing Walls retained, made good and painted;
- g. New Floor to Reception, Lockers room, Kitchen, AWC, new Unisex WCs/Showers;
- h. New Ceiling to Lockers room, new Unisex WCs/Showers;
- i. FFE (Furniture, Finishes & Equipment).

REFURBISHMENT, BLOCK B - to provide:

- a. 1 No. new meeting room;
- b. 1 No. new Kitchen;
- c. 1 No. new Entrance;
- d. New AWC, Superloos, Cleaners, Urinals, Shower;
- e. New Ceiling to all areas
- f. New Floor finishes to all areas;
- g. FFE (Furniture, Finishes & Equipment).

MECHANICAL AND ELECTRICAL SERVICES:

- a. to be adapted where alterations occur.

The scope of works above has been agreed with (a) managers of the LBH services that will remain operating from the Central Depot site (Passenger Transport Services) and (b) with the contract managers of the new waste management contractor (Environment). The scope has been found to be sufficient in delivering a working

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environment that is fit for purpose and in line with current standards within the two existing blocks.

### *Agreement to go to tender and award*

The current tender process was agreed by Key Executive Decision taken by the Director of Neighbourhoods on 05/01/2023.

### *Summary of the tender process*

Seven contractors from Constructionline were invited to tender via Fusion portal on the 08.02.23 on the basis of a Single Stage JCT Design and Build Contract 2016 with amendments. Three bids 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>HBS</b>	19.10%	70.0%	89.10%	1
<b>Contractor B</b>	20.00%	68.19%	88.19%	2
<b>Contractor C</b>	22.70%	57.58%	80.28%	3

It is noted that HBS's technical score is the lowest, but the assessing team has found that they are able to meet the minimum criteria for quality and are reassured that they will be able to produce the expected outcomes in a safe and quality oriented way.

The 1<sup>st</sup> 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.

### Refurbishment and alterations to Office Blocks at Central Depot - Tentative Programme of the Works

<i>Contract Award</i>	<i>May 2023</i>
<i>Commencement of the Works</i>	<i>May 2023</i>
<i>Envisaged End of Works</i>	<i>August 2023</i>
<i>Handover and Contract Closure</i>	<i>September 2023</i>

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**OTHER OPTIONS CONSIDERED AND REJECTED**

1. **DO NOTHING** – The Central Depot 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. Doing nothing would fail to deliver a suitable working site for the new waste management contractor and is likely to make the Council fail its contractual obligations with the new contractor.
2. **CHANGE PREMISES** – An extensive site analysis was carried out by officers which has established that altering the Central Depot (both via civil works and the architectural works which are subject of this report) would be the most time and cost effective solution. Additionally the works are improving an existing Council asset.

**PRE-DECISION CONSULTATION**


None

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

Name: Nicola L. Prandini

Designation: Architectural Manager, Asset Management

Signature:



Date: 10/05/2023

## 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 awarded 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 Threshold for Supplies and Services.
4. The proposed contract value is below the threshold for works contracts (currently £ £5,336,937) and accordingly is not subject to the full rigours of the Public Contracts Regulations (PCR) 2015. The procurement should however comply with the principles of equal treatment, non-discrimination and transparency and the Council's Contracts Procedure Rules (CPR)..
5. Officers have undertaken a tender process which is permissible under the (CPR) . 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 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.

### FINANCIAL IMPLICATIONS AND RISKS

#### CAPITAL IMPLICATIONS

**Pre tender cost estimate**  
(approved)

**Post tender cost estimate**  
(subject of current approval)

### **Non-key Executive Decision**

D&B Contract Estimate	£ 387,000.00	D&B Tendered Value	£ 401,900.85
Tech. Serv. Fees	£ 58,000.00	Tech. Serv. Fees	£ 58,000.00
Contingencies & Risks	£ 38,700.00	Revised Contingencies & Risks	£ 23,849.15
<u>Total</u>	<u>£ 483,750.00</u>	<u>Revised Total</u>	<u>£ 483,750.00</u>

#### **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.

#### **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.

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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.

### **ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS**

None

### **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: Mark Butler

Cabinet Portfolio held:

CMT Member title:

Head of Service title

Other manager title: Director of Asset Management

Date: 22<sup>nd</sup> June 2023

**Lodging this notice**

The signed decision notice must be delivered to Democratic Services, in the Town Hall.

**For use by Committee Administration**

This notice was lodged with me on \_\_\_\_\_

Signed \_\_\_\_\_