

## **Report to Cabinet**

**Report reference:** C-061-2015/16  
**Date of meeting:** 11 January 2016



**Portfolio:** Asset Management & Economic Development  
**Subject:** Epping Forest Shopping Park Progress Report  
**Responsible Officer:** Chris Pasterfield (01992 564124).  
**Democratic Services Officer:** Gary Woodhall (01992 564470).

---

### **Recommendations:**

- (1) That the tender of £2,070,029 from Walker Construction (UK) Ltd to carry out the Section 278 road works in Chigwell Lane relating to Epping Forest Shopping Park be agreed, subject to revisions required by Essex County Highways regarding Thames Water required works;**
- (2) To retain the balance of the current capital allocation of £2,250,000 i.e. £179,970 as a contingency to meet the costs of any variations as a result of the Thames Water requirements;**
- (3) To authorise the Director of Neighbourhoods, in liaison with the Asset Management and Economic Development Portfolio Holder, to agree any variation subject to it being within the current capital budget for this element of the project; and**
- (4) To note that the revised target opening date for the Shopping Park is Easter 2017 (April 16<sup>th</sup> Easter Sunday).**

### **Executive Summary:**

This report updates the Cabinet on progress on the shopping park project as discussed at previous meetings. It also recommends the award of the Section 278 Highways contract to Walker construction.

Due to the combination of delays relating to the tendering of the main construction contract and delays in obtaining agreed Heads of Terms with some anchor shop tenants, it is now not considered viable to have the shopping park completed with sufficient tenants to open for trade for Christmas 2016. Therefore Easter 2017 is the recommended target date for the Shopping Park's launch.

### **Reasons for Proposed Decision:**

To comply with the Cabinet's previous request to monitor the development of the Council's property assets and in particular report on progress relating to the development of the Epping Forest Shopping Park.

## **Other Options:**

To not accept the tender from Walker Construction (UK) Ltd, which would delay the highway works being carried out and risk further delay to the opening of the shopping park and consequent revenue loss.

## **Report:**

### Section 278 Works

1. Tenders were received by 28<sup>th</sup> October 2015 for the Section 278 Highways works. Following analysis by the project team members and scoring in accordance with previously agreed parameters, it was resolved that Walker Construction (UK) Ltd had submitted the most advantageous bid. Although the only other Tender received from Henderson and Taylor, was lower in terms of price £1,993,974, the combined Quality/Price Evaluation, leads to the recommendation of Walker Construction as the best option for the Council.
2. An interview by the project team with Walker Construction was carried out on 18 November to discuss their tender and to ensure that all aspects were understood. This included three officers from Essex Highways. One of the officers from ECC was the Senior Clerk of Works, but unfortunately no one from the New Roads & Street Act Department (NRSWA) was able to attend. The meeting discussed the constraints to the work regarding working times, the contractors programme and proposed working method. At this time Walkers did not know that they had won the tender subject to this meeting, which did not reveal any major anomalies.
3. Following this initial discussion another meeting was arranged for Thursday 26 November with the contractor and ECC Highways. It was then revealed that following internal discussions after the 18 November meeting that ECC did not want traffic management arrangements, using temporary traffic lights, to restrict the flow of traffic in Chigwell Lane, even at off peak times. Again no one from the NRSWA was available to attend, but eventually their Development Management Manager confirmed that the people attending would be fully briefed to discuss traffic management.
4. It is very disappointing that ECC Highways raised these very restrictive constraints so late in the day particularly as EFDC's consultants had contacted them on numerous occasions regarding their requirements. Prior to documents being issued for tender they were asked to clarify their requirements, so that they could be included in the tender documents for the contractor to price and devise a suitable working strategy, but they declined. They said that they preferred to speak to each contractor individually who was tendering. They also failed to do this as no contractor was able to make contact with them.
5. The restriction to not allow Traffic Management by temporary traffic signals at any time mainly relates to work required by Thames Water, to enlarge a foul water drain, located in the road carriageway. It is difficult to imagine how ECC thought this could be achieved without digging the road up which would mean restricting traffic flow. The contractor's proposal was to do the work in 50metre sections.
6. As an alternative methodology, the Council's highways consultant, JMP Consulting, has produced a design locating a new larger foul drain in the grass verge. This is currently being examined to ensure it is feasible and satisfactory to all parties. If accepted, this will have the benefit of only minimal work in the carriageway to provide connections. A verbal update will be provided at the meeting.

## Tendering of EFSP Main Shopping Park Building Contract

7. The tender for the main building was developed by the Council's consultant's team, to ensure that all information was readily available for potential contractors to download from the internet. The procedure was overseen by the Council's solicitors, DAC Beachcroft, as the estimated value was in the region of £10million and would therefore come under European procurement regulations – OJEU for a single stage tender. This process was approved by Cabinet at the meeting on 11 June 2015.

8. The documents were uploaded to a site managed by DAC Beachcroft and were available to be viewed from 12 October 2015. By 6 November there had been 14 registrations to the site and 9 parties had downloaded documents, although two were from bike storage companies only looking to provide a small part of the contract which would be non-compliant with the tender. One contractor also asked for an extension of time to tender. This was refused as there were no other such requests from contractors.

9. Consultants received enquiries from some contractors who had registered, and on this basis, it was hoped to have at least 3 companies submit tenders by the closing date of Monday 23 November. Unfortunately these did not transpire and no bids were received.

10. There are a number of reasons why this may have happened. The current market for building contracts is good so contractors have quite full order books. In addition it may have been because the OJEU single stage process is unattractive to contractors as preparing a bid is costly and they might be competing with any number of other bidders, the tender period was short due to programme considerations at the time, the project programme was potentially too challenging or contractors were not monitoring the Construction web site closely enough, so were not aware in time that a tender opportunity was in the offing.

11. A meeting was held on Monday 7 December of the core project team to discuss the re-tendering of the contract taking into account previous experience and the greater certainty over the project programme and likely opening date for trading to the public of the shopping park. This concluded that a two stage restricted procurement process would be likely to attract more interest by reducing developer risk and as such, Pre-Qualification Questionnaires and Invitation to Tender document, will be issued in mid January 2016.

12. The result of these delays to the main construction contract procurement will mean that practical completion will not be achieved for a Christmas 2016 opening. Revised date of Easter 2017 now anticipated.

## EFSP Marketing Report

13. The Asset Management & Economic Development Cabinet Committee received a Part II report on progress on marketing the site. Interest is high, however, some key anchor tenants will not achieve their Board sign offs until February 2016.

## Oakwood Hill Depot

14. The building contract with T J Evers is now into its fifth month and foundations and the steel frame are both 100% complete.

15. A temporary access from Oakwood Hill road has been formed due to restrictions by Essex County Council on works over the Christmas period. Both UK Power Networks and BT diversion works relating to the new access have been completed.

16. Construction priority now is to complete cladding and roofing to make the buildings

weather proof to allow internal works to continue in the event of severe weather conditions later in the year.

17. On this basis with a target completion date of April 2015, Langston Road should be vacated in time to allow the Shopping Park to be developed.

**Resource Implications:**

The budget for the Section 278 works estimated at £2.25million had already been approved at the 11<sup>th</sup> June 2015 Cabinet meeting. The main construction contract has been estimated at £10,000,000 for which provision has also been made in the Capital Programme. The revised Thames Drainage Works may incur additional costs, however, they may conversely result in a saving, as work in grass verges is less costly than in the highway.

**Legal and Governance Implications:**

External Legal and Procurement advice is being received.

The draft Section 278 Agreement is nearing completion. A verbal update will be provided.

**Safer, Cleaner and Greener Implications:**

The Shopping Park will comply with energy efficiency standards.

**Consultation Undertaken:**

Essex County Council Highways

**Background Papers:**

Marketing Report and Project Management Consultant's Reports to Asset Management Committee.

**Risk Management**

A risk management schedule is being maintained for the project.

# Due Regard Record

This page shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **unlawful discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires due regard must be paid to this information when considering the subject of this report.

The Shopping Park will be fully accessible for people with disabilities.