

EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee: Council Housebuilding Cabinet **Date:** Thursday, 22 September 2016
Committee

Place: Committee Room 2, Civic Offices, **Time:** 5.30 - 6.00 pm
High Street, Epping

Members Present: S Stavrou (Chairman), G Mohindra, J Philip, G Waller and H Kane

Other Councillors: A Grigg

Apologies: W Breare-Hall

Officers Present: P Pledger (Assistant Director (Housing Property)) and J Leither (Democratic Services Officer)

1. SUBSTITUTE MEMBERS

The Cabinet Committee noted that Councillor H Kane substituted for Councillor W Breare-Hall.

2. DECLARATIONS OF INTEREST

Pursuant to the Council's Code of Member Conduct, Councillors H Kane and S Stavrou declared a personal interest in Agenda Item 7, by virtue of being Waltham Abbey Ward Councillors. The Councillors had determined that their interest was non-pecuniary and would remain in the meeting for the consideration of the item.

3. MINUTES

Resolved:

That the minutes of the meeting held on 24 March 2016 be taken as read and signed by the Chairman as a correct record.

4. ANY OTHER BUSINESS

The Cabinet Committee noted that there was no other urgent business for consideration.

5. EXCLUSION OF PUBLIC AND PRESS

Resolved:

That the public and press be excluded from the meeting for the items of business set out below on the grounds that they would involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A of the Local Government Act 1972:

<u>Agenda Item No.</u>	<u>Subject</u>	<u>Exempt Information Paragraph Number</u>
7	Council Housebuilding Programme – Phase 1 Tender (Recovery Package)	3 & 5

6. COUNCIL HOUSEBUILDING PROGRAMME - PHASE I TENDER (RECOVERY PACKAGE)

The Assistant Director (Housing Property & Development) presented a report to the Cabinet Committee. He advised that after taking legal advice from Trowers & Hamlin Solicitors, on 1 June 2016 the Council formally determined the contract for Phase One of the Council Housebuilding programme with Broadway Construction Ltd. The decision was reached following informal consultation with members of the Cabinet and following concerns expressed by the Council Housebuilding Cabinet Committee over a period of time. From 1 June 2016 onwards, the Council took over responsibility for the sites.

He further advised that the sites had been secured and a full audit of the works completed up to the date of the contract determination, along with an assessment of materials on site. Using this information, a new tender package had been prepared by Pellings LLP, Employers Agents, under the direction of the Council's Development Agent, East Thames. With the previous informal agreement of the Cabinet, informal discussions had taken place with known local companies. However, P A Finlay & Co Ltd emerged as the only contractor that expressed a keen interest to take over the contract. P A Finlay & Co Ltd had successfully completed the refurbishment and conversion works on behalf of the Council at Marden Close. Negotiations commenced on 6 June 2016 based on a design and build contract, and pricing documents had been issued to P A Finlay & Co Ltd.

The pricing documents had been returned direct to Pellings LLP and opened on 7 July 2016. P A Finlay's proposed programme to complete the works was as follows:

- Site 4 - 10 calendar weeks
- Site 7 - 16 calendar weeks
- Harveyfields - 22 calendar weeks
- Red Cross - 48 calendar weeks

A full evaluation of the pricing document had been carried out by Pellings LLP. It was the opinion of Pellings LLP that P A Finlay & Co Ltd had provided a submission that was competitive and reasonable in relation to the prevailing market conditions (where there was currently even less appetite in the market place for works of this nature) and therefore represented value for money.

Decision:

(1) That P A Finlay & Co Ltd be awarded the Design and Build contract for the recovery phase of the construction works making up Phase 1 of the Council's Housebuilding Programme in Waltham Abbey in the negotiated contract sum of £2,674,335.10;

(2) That a contingency sum be set aside for any unforeseen matters that might materialise once works had commenced on site; and

(3) That the Chairman of Council be requested to waive the call-in for this decision on the grounds that there was insufficient time to wait for the call-in period to expire before the Statutory Utility quotes expired and the programme time-slot agreed with them would be extended, causing a price uplift and a delay to the start and completion of the works.

Reasons for Decision:

Since the Council determined the contract with Broadway Construction Ltd for failing to regularly and diligently progress with the works, the Council now needs to complete these works as quickly as possible.

Other Options Considered and Rejected:

(1) Not to negotiate with P A Finlay & Co Ltd, and to tender the works to a wider list of contractors. However, based on informal discussions with a number of contractors, it was difficult to find interested contractors to complete the works started by others.

(2) To break down the works into sub-contract packages and let them individually. However, this would require a different type of Management Supervision Contract and would have resulted in the Council not being able to secure any guarantees for the works and would also have been exposed to far greater financial risks.

CHAIRMAN

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