

Report to the Cabinet

Report reference: C-025-2024-25

Date of meeting: 2 September 2024



Portfolio: Housing and HGGT (Cllr Nigel Bedford)

Subject: The Broadway Refurbishment Project – Tender Returns & Contract Award

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Recommendations/Decisions Required:

1. That Epping Forest District Council (EFDC) award the refurbishment works contract at The Broadway to Mulalley and Co, with the agreed financial cap of c£4.8mn as detailed in restricted Appendix A – Tender Report.
2. Officers and advisers are instructed to finalise negotiations with Mulalley and Co with a view to commencing works in October/November 24

Executive Summary:

The Broadway estate requires external refurbishment and maintenance works to address issues of weathertightness and security.

A recent condition survey of the roof identified significant failings to the roof coverings recommending full replacement is required in tandem with other cyclical external building fabric repairs including window replacements, balcony and walkway repairs and compliance work.

EFDC will take the opportunity to upgrade the energy efficiency performance of The Broadway as part of the work. This will include increasing the insulation of the roof and fitting thermally efficient windows. A medium-term improvement plan will also be provided detailing future energy efficiency upgrades to make the building ready for net zero by 2050.

EFDC instructed project consultants, Bailey Garner LLP, to conduct the procurement exercise and assist in identifying a suitable contractor to deliver the works. Bailey Garner LLP supported with a tender analysis of the Contractors financial and quality bids, including providing advice in relation to value for money.

Following receipt and evaluation of tenders, the recommendation is for a contract award being made to Mulalley and Co.

Residential and commercial leaseholders will be recharged a proportion of the cost in accordance with their respective leases. We have obtained advice from service charge specialists, Bellrock Property and Facilities Management, to ensure recharges are calculated appropriately. We recognise the bills will be significant and we will work with each leaseholder to agree payment terms that will lessen the immediate impact and, enable leaseholders to pay sums owed over a period.

Start on site is expected in October or November 2024. The contract period is 12 months.

1. Report:

1.1 Description of works

The Broadway consists of 2 blocks within Epping Forest District Council. These are numbered 11A – 77A and 12A – 82A. These blocks are either side of the street running through the middle. Both blocks have commercial units to the ground floor and residential flats above including both leaseholders and tenants.

Both blocks are 3 storey buildings with the front elevations facing each other across the street in the middle called The Broadway. The blocks are rendered to the front elevation at ground floor level, with cantilevered concrete balconies and then brickwork elevations above. The roof is a mono pitched roof which is to be replaced as part of the works. The blocks have asphalt walkways to the rear with steps leading up to these which access the residential properties.

To the street-side elevation is access to the commercial units from street level. There are communal doors between commercial units which give access to the communal staircases leading to the residential flats.

The works comprise external repairs and refurbishment including replacement roofs to both blocks, window replacements, external fabric repairs generally, internal communal decorations, replacement FEDs, waterproofing to the communal walkways etc.

1.2 Tender Approach

Bailey Garner LLP sought to procure the works via the Southeast Consortium (SEC) via the Building Works Framework – Lot 4. The SEC managed the quality assessment of the tender process and was then reviewed by Baily Garner LLP.

All tenderers were requested to submit a fixed priced tender in line with the JCT Tendering Practice Note 2017. Baily Garner LLP were required to review the lowest contractor's submission, unless errors were found and therefore subsequently withdrawn

1.3 Basis of Tender Invitation

The works were sent out to tender via the SEC, an Expression of Interest was issued to issued to nine framework contractors.

- Tendering contractors were invited
- Invitation to Tender Covering Letter
- Invitation to Tender Document
- Specification of Works and Associated Appendices. Ref – The Broadway SOW.
- Quality Submission
- Form of Tender

The Cost assessment, equating to 40% of the submission, was reviewed by Baily Garner LLP. An assessment regarding Value for Money was made by Baily Garner LLP through comparison against our pre-tender estimate including an assessment against the quantities and rates vs our in-house cost data and data published by the BCIS (Building Cost Information Service).

The quality assessment, equating to 60% of the submission, was reviewed independently by EFDC and Baily Garner LLP. Following a thorough review of the quality submissions, both parties met on 3rd July 2024 to discuss their findings.

1.4 Summary of Qualitative & Qualitative Element Scoring

Assessment and scoring of the qualitative elements were based on 5 questions that equated to 60% of the tenderers final score. The questions were broken down into the following categories:

- Planning, programming and resourcing the works (13.75%)
- Quality Control (13.75%)
- Health and Safety (13.75%)
- Stakeholder Engagement (13.75%)
- Social Value (5%)

1.5 Tenders Received

The deadline for the tender return was Monday 4th June 2024 at 12:00 noon, however, owing to requests from multiple Contractors, the deadline was extended to Monday 11th June 2024 at 12:00 noon.

Tenders were received from three of the nine contractors invited to tender.

Tenders were received by the SEC and sent to Baily Garner LLP on Tuesday 11th June and these were then distributed to the EFDC on Thursday 13th June following an initial tender analysis to check the tender sums submitted were correct.

1.6 Analysis of Contractor Pricing Submissions

In the intervening period between the tender return date and the quality moderation meeting held on the 3rd July 2024, Baily Garner conducted a detailed assessment of each of the Contractors pricing submissions and provided a series of clarifications to tendering organisations as required.

During Bailey Garner's analysis of each submission, it was noted that a couple of the Contractors had priced the documents incorrectly. Bailey Garner sought guidance from EFDC in respect of these errors and whether 'Alternative One' (JCT Tendering Practice Note – standby or withdraw) or 'Two' was to apply and ultimately whether contractors would be allowed the opportunity to correct pricing errors and omissions. EFDC confirmed that Contractors should be allowed the opportunity to correct errors and/or omissions.

In addition to the individual analysis of each submission, Baily Garner also carried out a review of individual rates/prices provided by each Contractor relative to each other and the Baily Garner pre-tender estimate. This included the following: Scaffolding, Windows, Walkway Screening, Lighting Protections, Main Roof Replacement, Front Entrance Doors.

As detailed, each quality submission was reviewed independently by EFDC and Baily Garner LLP. Following a thorough review of the quality submissions, both parties met on the 3rd July 2024 to report and moderate their findings before collectively agreeing scoring for each Contractor. Following assessment and due diligence, the recommendation is to award the contract to Mulalley and Co.

The detailed tender submissions and tender analysis are as in restricted Appendix A. Note, the further referenced appendices (90 pages) via Bailey Garner within Appendix A have not been included within this report and are available should this be required. Restricted access for this detail is applicable.

1.7 Risk

Although the Contractor will be taking responsibility for some of the risks there remains various residual risks which are the responsibility of Epping Forest District Council

The most significant risks include:

Contract Amendments – Contract amendments were sent out with the tender documentation as an appendix to the specification, however, there is always a risk that the winning contractor could come back with some comments once the contract is being entered.

Access and Logistics Strategy/ Public Safety – Such is the volume of residents, visitors, public and guests etc, safe working and logistical processes are fundamental to ensure public safety. Bailey Garner as CDMA should undertake a comprehensive review of the Construction Phase Health and Safety Plan (CPP) to ensure it is sufficiently detailed.

Resident Disruption – The proposed works will entail considerable disruption to the residents and commercial tenants to the space. As detailed within the documentation, communication between the successful contractor and the stakeholders will be key which has detailed well in the Contractors quality submission.

2. Scrutiny Comments:

Whilst the receipt of completed tenders and a tender report from Bailey Garner did not allow for this report to be considered at Communities Scrutiny Committee, the subject of major works at the Broadway have previously been considered at Scrutiny and Cabinet.

Specific Briefings have been issued to key Councillors during the last year and, updates on the Broadway have been included in Portfolio Holder updates this year.

Furthermore, the major works at the Broadway were included in the HRA Business Plan report to Communities Scrutiny Committee on 5th February 2024.

3. Resource Implications:

The overall project cost in addition to the construction contract award to Mulalley & Co will need to include professional fees and contingency.

4. Legal and Governance Implications:

The works will ensure the homes at The Broadway will meet the Decent Homes Standard and comply with statutory requirements.

5. Safer, Cleaner and Greener Implications:

Safe and clean environments, together with energy efficient homes, will be key objectives in ensuring the homes we provide are places where people want to live and want to stay.

6. Consultation / Scrutiny Undertaken:

Consultation is ongoing with Residents, Leaseholders and Commercial Leaseholders. Engagement over the past six months is listed below with follow up sessions also planned.

- 14th March 2024 - The Broadway Town Centre Partnership
- 21st March 2024 - Presentation to The Broadway Residents
- 3rd July 2024 - Presentation to the Broadway Leaseholders
- 24th July 2024 - Presentation to the Broadway Residents
- TBC – The Broadway Town Centre Partnership

- TBC – Meet the Contractor Events

7. Background Papers:

Appendix A - Tender Report (restricted)
Appendix B - Risk register

8. Risk Management:

The risk register is attached. This lists and assesses the main risks the actions to mitigate each.

9. Equality:

An equality impact assessment was carried out. There are no medium or high adverse impacts on any equality group.