

Decision by Portfolio Holder



Report reference: HSG-012-2018/19
Date of report: 26-September-2018

**Epping Forest
District Council**

Portfolio: Housing – Cllr Mrs Syd Stavrou,
Author: M Rudgyard (Ext) 2363
Democratic Services: J Leither - (Democratic Services Officer) (Ext) 4756
Subject: Acceptance of Tenders - Development of the Homeless Pods at Norway House

Decision:

- (1) That TSG Building Services PLC be awarded the contract for the supply and installation of the Homeless Pods at Norway House for the corrected tender sum of £335,665.90;

ADVISORY NOTICE: <i>A Portfolio Holder may not take a decision on a matter on which he/she has declared a Pecuniary interest. A Portfolio Holder with a non-pecuniary interest must declare that interest when exercising delegated powers.</i>	
I have read and approve/do not approve (delete as appropriate) the above decision:	
Comments/further action required:	
Signed: Cllr C Whitbread	Date: 26 th September 2018
<i>Non-pecuniary interest declared by Portfolio Holder/ conflict of non-pecuniary interest declared by any other consulted Cabinet Member:</i> None	<i>Dispensation granted by Standards Committee:</i> Yes/No or n/a N/A
Office use only:	
Call-in period begins: 26 th September 2018	Expiry of Call-in period: 2 nd October 2018

**After completion, one copy of this pro forma should be returned to
Democratic Services IMMEDIATELY**

**Initialled as original copy by
Portfolio Holder:**

Reason for decision:

Any tenders in excess of £250,000 but below £1m require a Portfolio Holder decision as set out in the Council's Procurement Rules.

In addressing the issues of homelessness the Council is keen to promote innovative solutions for accommodating homeless households at a lower cost than traditional-built, permanent accommodation and than the cost of placing homeless households in expensive bed and breakfast hotels. The development at Norway House has been proposed as a pilot which will provide temporary accommodation in modular accommodation (or pods) to six single homeless individuals and if successful could be used as a model for providing further temporary accommodation more widely in the District.

Options considered and rejected:

The main alternative options considered are:

- (1) Not to undertake the work, however this will inevitably lead to an unacceptable increase in the costs of dealing with increasing homelessness pressures through having to place homeless households in expensive bed and breakfast hotels or providing more expensive traditional built accommodation.
- (2) To re-tender the work again. However, this would be very time consuming, inefficient and is not cost effective, as the Council has no guarantee that further tenders would come within the allocated budget for the development.

Background Report:

1. At its meeting in March 2017, the Cabinet considered a detailed report on the increasing homelessness pressures in the District and agreed to proceed with a Pilot Scheme for the Provision of Modular Temporary Accommodation for Single Vulnerable Homeless People at Norway House, North Weald.
2. A planning application was submitted, which was subsequently granted on the 6th April 2018.
6. On behalf of the Council, ECD Architects have undertaken a competitive tender exercise in accordance with the Council's Procurement Rules.
7. Invitations to tender were issued on the 28th June 2018 to 3 contractors who are suitably qualified, insured, registered on Constructionline and experienced in undertaking this type of work.
8. Pre-Tender Estimate for the Project was approximately £322,000.00, which included a Provisional Sum of £14,000.00 for Asbestos works and Contingencies.
9. The project is being procured under JCT 2016 Intermediate Contract.
10. The tenders were returned before noon on Friday 24th August 2018, and opened by the Assistant Director (Governance) Democratic Services on Friday 24th August 2018 in accordance with the Councils Procurement Rules. The results of the tender opening are shown in table 1 below;

	Contractor;	Tender Sum	Contract Duration	Position;
1.	P.A. Finlay & Co. Ltd	£417,547.00	11 weeks	2nd
2.	TSG Building Services PLC	£341,687.18	11 weeks	1st
3.	VSN Enterprises Ltd	£429,100.00	11 weeks	3rd

Table 1.

11. A full Tender Evaluation Report was undertaken by ECD Architects, which included an assessment of the Contractors contractual comments, technical comments and proposals, programme of work and the price framework.

12. The Tender Evaluation Report also included a full arithmetical check of the tenderers' submitted rates identifying any omissions and any pricing inconsistencies. Table 2 below shows the corrected tender sums submitted by the contractors and while all of the contractors submitted tenders contained minor arithmetical errors, when these are corrected, their overall positions did not alter.

	Contractor;	Tender Sum	Difference
1.	P.A. Finlay & Co. Ltd	£417,547.00	£0.00
2.	TSG Building Services PLC	£335,665.90	- £5,998.28
3.	VSN Enterprises Ltd	£429,100.00	£0.00

Table 2.

13. The Tender Evaluation Report concluded that, the most competitive tender that fully meets the Council's specification and contractual requirements was submitted by TSG Building Services PLC.

14. TSG Building Services PLC are currently delivering new build developments as part of Phase 3 of the Council House Building Programme and have also been selected on the new Framework Alliance Partnership to deliver new build developments under Phases 4,5 and 6 of the Council House Building Programme.

15. It is therefore recommended that TSG Building Services PLC is awarded the contract for the new build development of the Homeless Pods at Norway House for the corrected tender sum of £335,665.90.

16. A review of TSG Building Services PLC membership currently on Constructionline has been undertaken and a further review will be undertaken prior to the contract commencement.

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17. The Council's Procurement Rules C14 (1) permits alterations to tenders where the relevant Spending Control Officer is satisfied that it is appropriate to accept the correction of Arithmetical Errors, if the Spending Control Officer is satisfied that such errors were made inadvertently.

Resource Implications:

£345,000 is currently allocated within the existing Capital Programme budget for the Council Housebuilding Programme with 30% of the costs funded from 1-4-1 receipts for the development of the Homeless Pods at Norway House.

The current cost to Council of B & B for one person per annum is £8,280, which could equate to an annual saving to the General Fund of as much as £49,500 per annum if all units are fully occupied.

Legal and Governance Implications:

The financial expenditure is below that requiring an OJEU Procurement Exercise. Therefore, this tender complies with the requirements as set out in the Council's Procurement Rules.

Safer, Cleaner and Greener Implications:

This development helps to reduce the need to use unsatisfactory bed and breakfast hotels to accommodate homeless households.

Consultation Undertaken:

Consultation has been undertaken through the Planning Process.

Background Papers:

Cost Consultant Tender Report dated 14th September 2018.

Risk Management:

A risk assessment has been undertaken which includes performance, quality, and health and safety risks.

A credit check has been carried out on TSG Building Services PLC and based on an Experian Credit Check, which has been undertaken in line with the Council's Procurement Rules, TSG represent a very low risk with a recommended credit transactions limit of £600k

Key Decision Reference (Y/N): N

Equality Analysis

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this report is essential reading for all members involved in the consideration of this report. The equality information is provided at Appendix 1 to the report.