

Decision by Portfolio Holder



Report reference: HPS-002-2019/20

Date of report: 05 June 2019

**Epping Forest
District Council**

Portfolio: Housing and Property Services

Author: S Lewis (Ext 4508) Democratic Services: J Leither

Subject: 1. Acceptance of Tender – Internal refurbishment, alterations and provision of additional office space and external storage at Oakwood Hill Depot, Loughton; and

2. Acceptance of new on-site staff parking proposals in lieu of off-site parking adjacent Oakwood Hill housing estate

Decision:

- (1) That Faircloth Construction Ltd be awarded the contract to complete the internal refurbishment, alterations and provision of additional office space and external storage at Oakwood Hill Depot, Loughton in the adjusted tender sum of £810,362;**
- (2) That the existing capital budgets for the design and build works and for off-site car parking in the sums of £762,455 and £250,488 respectively, be combined to fund the required contract works, the fitting-out of staff areas based on an agile working environment and to provide a contingency sum for any unforeseen works;**
- (3) That on-site staff parking be created in lieu of off-site parking previously agreed for the adjacent Oakwood Hill housing estate; and**
- (4) That any budget provision for fitting-out costs arising from furniture standards being developed as part of the accommodation review, be subject to a separate report.**

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: None	
Signed: Councillor H Whitbread	Date: 18 th June 2019
<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: 19 June 2019	Expiry of Call-in period: 26 June 2019

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

Reason for decision:

The Cabinet has already agreed that the Housing Repairs service will relocate from their current depot site in Epping to facilitate the wider redevelopment of the St John's Road area. This report seeks approval of the tender sum.

The Cabinet had previously agreed to create an off-street parking scheme for staff parking on the nearby Oakwood Hill Estate. However, that was subject to obtaining planning approval. Consent was not followed through due to opposition; therefore adaptations have been made to the site layout to create on-site parking.

Options considered and rejected:

1. To revert to the original Cabinet decision to construct a new Repairs and Maintenance Hub at North Weald.
2. To re-submit the planning application for an off-site car park on the Oakwood Hill estate to create additional capacity for staff vehicles.
3. To appoint the second lowest, or any other tenderer.

Background Report:

Construction Works

1. Tender documents for internal refurbishment, alterations and the provision of additional office space and external storage at Oakwood Hill depot were issued on 25th February 2019. Two subsequent tender addendums were issued. The first on 4th March 2019 for the addition of pre-construction information and the second on 28th March 2019 for an update on commencement dates and revised preliminaries information.

Initialed as original copy by Portfolio Holder:
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2. During the tender period two requests were received for an extension to the tender return date. These requests were approved to mitigate concern that two of the tendering contractors may not submit a return. The tenderers were advised that their tender submissions were to be returned to the Civic Offices not later than 12 noon on 1st April 2019.
3. The tenders were opened on the 1st April 2019 by the Housing and Property Services Portfolio Holder, the Interim Service Director - Housing & Property Services and a Committee Officer of Epping Forest District Council. The results of the tender opening were as follows:

Contractor;		Tender Sum	Adjusted Tender Sum	Position;
1.	Faircloth Construction Ltd	£718,850	£810,362	1 st
2.	Phoenix Construction Services	£898,047	£878,330	2 nd
3.	Thomas Sinden	£877,235	£885,345	3 rd
4.	PA Finley & Co Ltd	£1,196,830	£1,196,830	4 th
5.	Mclaren Parking – did not submit a return	n/a	n/a	n/a

4. Stace LLP, our Principal Designer and Building Surveying Consultancy, have conducted a Tender Evaluation Report on the two lowest tenders submitted. This included a full arithmetical check, plus a comparison of costs for preliminaries, overheads and profit as well as design fees and construction works.
5. Stace LLP have adjusted the tender sums based on the fact the tenderers had omitted some information from their original tenders. Faircloth had inadvertently omitted costs relating to quotations received in respect of recommended suppliers for relocation of the fuel island (£31,239), entrance security and fencing (£60,273) which totalled £91,512.
6. There is a significant difference between the two lowest tenderers and Stace believe this indicates the competitive nature of the Faircloth Construction Ltd submission.
7. The contract contains only one provisional sum which is for providing service ducts to external storage bays. Neither contractor provided a separate cost for dayworks or a contingency sum. Stace LLP recommend that a sum of 5% of the adjusted tender sum be set aside within the capital budget for a contingency. This will be accounted for separately to the contract but within existing budget provision.
8. Based on the above, Faircloth Construction Ltd are the lowest tenderer for the works. References have been obtained from previous Faircloth Construction Ltd customers and these are all positive. Financial checks have been conducted by Accountancy and no issues found.
9. It is therefore recommended that Faircloth Construction Ltd be awarded the contract for the internal refurbishment, alterations and provision of additional office space and external storage at Oakwood Hill Depot in the sum of £810,362 being the lowest tendered sum.

On-site vehicle parking

10. A proposal has been developed which meets the requirement to provide 75 parking bays as set out in Cabinet report reference C-015-2017/18. This has been achieved by providing 72 standard bays (25 of which will be short stay/managed spaces), 2 accessible parking bays and 1 electric vehicle charging bay. The bays will be in clearly defined zones and will be used by members of the public requiring an MOT, operatives' vans and equipment and staff cars. External areas will be re-line marked and bays numbered to improve vehicle management and allocation. Some double and triple parking will be required and will be managed.
11. Stace LLP have undertaken a vehicle tracking exercise to confirm that the proposals will work, that sufficient space will remain to ensure that safety remains paramount and that all vehicles entering the depot will be able to turn and navigate at all times. New speed humps will be positioned at the entrance to the site to reduce the speed of incoming traffic, additional directional signage will be installed together with a "rising road blocker" located behind the entrance gates to the depot for added "out of hours" security.
12. Accommodating additional vehicles on the site will be challenging, especially when at certain times of the day extra vehicle movements occur as operatives leave to start their shifts and then subsequently return. Managers will mitigate risks and the ongoing operation of the parking proposals will be regularly reviewed. It may be necessary at a future date for a staff resource to be allocated to manage the additional volume of traffic at the depot, to guide traffic at key times, to direct vehicles to relevant parking spaces, to take deliveries and to supervise yard areas. This will be further considered once all the services are functioning together at the depot.

Resource Implications:

A budget of £755,000 has been set aside from the North Weald depot scheme for the expansion of Oakwood Hill depot, including creating suitable car parking for the additional users of the depot. A further £340,000 has been set aside to finance refurbishment and fitting-out costs. Since that budget of £1,095,000 was agreed, £71,833 has been spent on consultancy costs, planning applications and staff time directly attributable to the preparatory construction works, whilst a further £10,224 has been spent on multiple car park feasibility schemes. £1,012,943 now remains.

The overall total remaining budget of £1,012,943 is currently split for accounting purposes into two separate budgets. One for an off-site car park in the sum of £250,488 and one for design and build works in the sum of £762,455.

As part of the current accommodation review, corporate standards for furniture are being developed. It is anticipated that furniture requirements for the depot expansion will be funded from existing separate budget provision, which will be subject to a separate report for additional funding if required.

ICT currently have a budget within their strategy implementation programme of £22,500 for any new ICT equipment requirements that will be needed to facilitate the Housing team moves to Oakwood Hill depot.

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 programme of work provides a greener environment for all Oakwood Hill residents as green space will not be lost as a result of providing all vehicle parking requirements at the depot.

Electrical vehicle charging points will be provided as part of the new on-site parking scheme.

Consultation Undertaken:

None

Background Papers:

Stace LLP tender report for the Housing Repair Hub at Oakwood Hill, April 2019.

Impact Assessments:**Risk Management:**

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

A review of the Constructionline Supplier Report has been undertaken on the current membership of Faircloth Construction Ltd - Constructionline Registration Number 331704.

Financial checks have been completed by Accountancy on Faircloth Construction Ltd, being the lowest tenderer. The credit score results show the company has a strong financial standing and are capable of undertaking works up to significant values. Accountancy advised that the credit score results for the second lowest tenderer, Phoenix Construction Services, were not an appropriate match for the works proposed so consequently they are not recommended as a reserve contractor.

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.