

Report to the Council Housebuilding Cabinet Committee



**Epping Forest
District Council**

Report reference: CHB-005-2019/20
Date of meeting: 19 December 2019

Portfolio: Housing and Property Services – Councillor H Whitbread

Subject: Acceptance of Tenders – Council House Building Programme

Responsible Officer: D Fenton (01992 564746)

Democratic Services: J Leither (01992 564756)

Recommendations/Decisions Required:

- (1) That, TSG Building Services PLC be awarded the contract to undertake the construction of 5 properties, Chequers Road and Bushfields, Loughton in the sum of £1,365,481 together with the proposed construction period of 48 weeks.
- (2) That, TSG Building Services PLC be awarded the contract to undertake the construction of 3 properties, Chester Road, Loughton in the sum of £747,395 together with the proposed construction period of 34 weeks.
- (3) That TSG Building service PLC therefore recommend acceptance of the tender submitted by TSG Building Services PLC be awarded the contract to undertake the construction of 6 properties, Queensway, Ongar & Millfield, Higher Ongar in the sum of £1,372,925

Executive Summary:

The Council's house building programme is due to enter phase 4 of 6, to undertake the next phase of the council house building programme, it was necessary to undertake a tender exercise taking cost and quality into account to satisfy the Council's Procurement Rules.

Reasons for Proposed Decision:

The Council's Procurement Rules requires a Cabinet decision when awarding contracts in excess of £1m. However, the Cabinet have delegated authority to the Council Housebuilding Cabinet Committee to agree all tenders associated with the Council's house-building programme as set out in its Terms of Reference. Authorisation to enter into a Build Contract is required to enable a start on site to be made and for these properties to be delivered.

Other Options for Action:

To award the contracts to any other contractor that has tendered for the works.

Report:

Report on a Competitive Tender – Package 1 – Chequers Road (Site A) & Bushfields, Loughton

1. As part of Epping Forest District Council Phase 4 Council House Build Programme, Airey Miller undertook a competitive tender process with Epping Forest Framework contractors for Packages 1, 2 & 3.
2. Tenders were invited from Indecon Building Ltd, Neilcott Construction Ltd, Roof Ltd and TSG Building Services PLC from Epping's approved framework list. Unfortunately Roof Ltd declined the tender process due to their resource constraints.
3. Tenders were received on the 27 September 2019 as instructed within the invitation to tender and were officially opened and reviewed on the 10 October 2019. The returns are as follows and listed within Appendix A:

- **TSG Building Services PLC - £1,365,481**
- **Indecon Building Ltd - £1,691,686**
- **Neilcott Construction Ltd – £1,705,886**

4. All tenderers submitted a list of clarifications within their tender returns. As TSG Building Services PLC are the most competitive tenderer, based on cost, their clarifications were reviewed in detail.
5. These clarifications have been deemed as low to medium risk items and are identified within Appendix C. From our review we believe the Council will not obtain value for money if such clarifications are costed by the contractor and fixed within their tender.
6. Whilst the tender of TSG Building Services PLC is a fixed price, we recommend that the Council accommodate the low risk clarifications within the contingency Control Account.

Report on a Competitive Tender – Package 2 – Chester Road, Loughton

7. As part of Epping Forest District Council Phase 4 Council House Build Programme, Airey Miller undertook a competitive tender process with Epping Forest Framework contractors for Packages 1, 2 & 3.
8. Tenders were invited from Indecon Building Ltd, Neilcott Construction Ltd, Roof Ltd and TSG Building Services PLC from Epping's approved framework list. Unfortunately Roof Ltd declined the tender process due to their resource constraints.
9. Tenders were received on the 27 September 2019 as instructed within the invitation to tender and were officially opened and reviewed on the 10 October 2019. The returns are as follows and listed within Appendix A:

- **TSG Building Services PLC - £747,395**
- **Indecon Building Ltd - £944,459**
- **Neilcott Construction Ltd – £929,592**

10. All tenderers submitted a list of clarifications within their tender returns. As TSG Building Services PLC are the most competitive tenderer, based on cost, their clarifications were reviewed in detail.
11. These clarifications have been deemed as low to medium risk items and are identified

within Appendix C. From our review we believe the Council will not obtain value for money if such clarifications are costed by the contractor and fixed within their tender.

12. Whilst the tender of TSG Building Services PLC is a fixed price, we recommend that the Council accommodate the low risk clarifications within the Contingency Control Account.

Report on a Competitive Tender – Package 3 – Queensway, Ongar & Millfield, High Ongar

13. As part of Epping Forest District Council Phase 4 Council House Build Programme, Airey Miller undertook a competitive tender process with Epping Forest Framework contractors for Packages 1, 2 & 3.
14. Tenders were invited from Indecon Building Ltd, Neilcott Construction Ltd, Roof Ltd and TSG Building Services PLC from Epping's approved framework list. Unfortunately Roof Ltd declined the tender process due to their resource constraints.
15. Tenders were received on the 4 October 2019 as instructed within the invitation to tender and were officially opened and reviewed on the 10 October 2019. The returns are as followed and listed within Appendix A:

- **TSG Building Services PLC - £1,372,925**
- **Indecon Building Ltd - £ 1,626,387**
- **Neilcott Construction Ltd – £1,648,099**

16. All tenderers submitted a list of clarifications within their tender returns. As TSG Building Services PLC are the most competitive tenderer, based on cost, their clarifications were reviewed in detail.
17. These clarifications have been deemed as low to medium risk items and are identified within Appendix C. From our review we believe the Council will not obtain value for money if such clarifications are costed by the contractor and fixed within their tender.
18. Whilst the tender of TSG Building Services PLC is a fixed price, we recommend that the Council accommodate the low risk clarifications within the contingency Control Account.

Resource Implications:

The all associated internal external consultant fees and survey costs will be reported upon in the Council House Building Progress Report going forward.

Legal and Governance Implications:

There are no current anticipated Legal and Governance implications of merit at the time of writing this report.

Safer, Cleaner and Greener Implications:

The continued delivery of the development housing programme will help address the antisocial behaviour issues associated with these garage sites and will reduce the opportunity for fly tipping and thereby contribute to a Greener environment.

Consultation Undertaken:

Employers Agent has undertaken a though tender process.

Background Papers:

- 1) **The Report on a Competitive Tender for Package 1 – Construction of two sites: Chequers Road (Site A) & Bushfields, Loughton; and authorise the officers to enter into the appropriate Build Contract**
- 2) **The Report on a Competitive Tender for Package 2 – Construction for one site: Chester Road, Loughton; and authorise the officers to enter into the appropriate Build Contract**
- 3) **The Report on a Competitive Tender for Package 3 – Construction of two sites: Queensway, Ongar & Millfield, Higher Ongar; and authorise the officers to enter into the appropriate Build Contract**

Risk Management:

The Risks associated with the delivery of the current housing development programme is identified within the Executive Report attached.

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 as an Appendix to this report.