

Report to the Council Housebuilding Cabinet Committee



Report reference: CHB-002-2020/21
Date of meeting: 23 June 2020

**Epping Forest
District Council**

Portfolio: Housing and Community Services – Councillor H Whitbread
Subject: Acceptance of Tenders – Council House Building Programme
Responsible Officer: Deborah Fenton (01992 564221)
Democratic Services: J Leither (01992 564756)

Recommendations/Decisions Required:

- (1) That, Indecon Building Ltd be awarded the contract to undertake the construction of 7 properties, (contract 1) in the sum of £2,160,015 together with the proposed construction period of 52 weeks; and
- (2) That, Indecon Building Ltd be awarded the contract to undertake the construction of 11 properties, (contract 2) in the sum of £4,234,504 together with the proposed construction period of 52 weeks.

Executive Summary:

Our house building programme has entered phase 4, To undertake the next phase of our 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. This report represents 4.2 of the Council Housebuilding programme.

All tenderers submitted a list of clarifications within their tender returns, both of which have been reviewed in detail. These clarifications have been deemed as low to medium risk items and are identified within Appendix C of the tender document. From our review we are of the opinion that the Council will not obtain value for money if such clarifications are costed by the contractor and fixed within their tender, therefore we have allocated suitable provisional sums.

The tender from Indecon Building Ltd does include some provisional sums and as such, we recommend that the Council accommodate the low risk clarifications within their own contingency Control Account.

We therefore recommend acceptance of the tender submitted by Indecon Building Ltd in the sum of £6,394,519 together with the proposed construction period of 52 weeks.

Reasons for Proposed Decision:

The Council's Procurement Rules requires a Cabinet decision when awarding contracts in excel 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:

1. Report on a Competitive Tender – contract 1 – 7 units

Contract 1

Hornbeam Close (site B)

Demolition of garages and replacement with 3No. x 3 bed two storey affordable homes and associated landscaping. (Planning REF: EPF/0215/16)

- 3No. x 3-bedroom/5 person houses
- The total gross internal floor area is 163m²

Hornbeam House

Demolition of existing garages and erection of 2No. x 2 bed two storey affordable homes and associated landscaping. (Planning REF: EPF/0234/16)

- 2No. x 2-bedroom/4 person houses
- The total gross internal floor area is 303m²

Bourne House

Demolition of existing garages and erection of 2No. x 3 bed two storey affordable homes and associated landscaping. (Planning REF: EPF/0213/16)

- 2No. x 3-bedroom/5 person houses
- The total gross internal floor area is 201m²

2. 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 within 4.2.
3. Tenders were invited from Indecon Building Ltd, and TSG Building Services PLC from Epping's approved framework list.
4. Tenders were received on 2nd March 2020 as instructed within the invitation to tender and were officially opened and reviewed on 25th March 2020. The returns are as follows and listed within Appendix A:
 - **TSG Building Services PLC - £2,567,165**
 - **Indecon Building Ltd - £2,160,015**
5. All tenderers submitted a list of clarifications within their tender returns. As Indecon Building Ltd are the most competitive tenderer, based on cost, their clarifications were reviewed in detail.
6. These clarifications have been deemed as low to medium risk items and are identified within Appendix 1. 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.
7. Whilst the tender of Indecon is a fixed price, we recommend that the Council accommodate the low risk clarifications within the contingency Control Account.

8. **Report on a Competitive Tender – Contract 2 – 11 Units**

Contract 2

Etheridge Road

Demolition of existing garages and erection of 2No. x 3 bed two storey affordable homes and 1No. x 2 bed bungalow and associated landscaping. (Planning REF: EPF/2592/15)

- 2No. x 3-bedroom/5 person houses
- 1No. x 2-bedroom/3 person Bungalow
- The total gross internal floor area is 261m²

Denny Avenue

Demolition of existing garages and erection of 1No. x 2 bed and 2No. x 3 bed two storey affordable homes and associated landscaping. (Planning REF: EPF/2871/16)

- 1No. x 2-bedroom/4 person houses
- 2No. x 3-bedroom/5 person houses
- The total gross internal floor area is 284m²

Beechfield Walk

Demolition of existing garages and erection of 5No. x 2 bed two storey affordable homes and associated landscaping. (Planning REF: EPF/3217/16)

- 5No. x 2-bedroom/4 person houses
- The total gross internal floor area is 418m²

Kirby Close

Demolition of existing garages and erection of 4No. x 2 bed two storey affordable homes and associated landscaping. (Planning REF: EPF/2035/16)

- 2No. x 2-bedroom/4 person houses
- 2No. x 3-bedroom/5 person houses
- The total gross internal floor area is 373m²

9. As part of Epping Forest District Council Phase 4.2 (contracts 1 and 2) Council House Build Programme, Airey Miller undertook a competitive tender process with Epping Forest Framework contractors for contract 2.
10. Tenders were invited from Indecon Building Ltd, and TSG Building Services PLC from Epping's approved framework list.
11. Tenders were received on 2nd March 2020 as instructed within the invitation to tender and were officially opened and reviewed on 25th March 2020. The returns are as follows and listed within Appendix A:
- **TSG Building Services PLC - £4,516,895**
 - **Indecon Building Ltd - £4,234,504**
12. All tenderers submitted a list of clarifications within their tender returns. As Indecon Building Ltd are the most competitive tenderer, based on cost, their clarifications were reviewed in detail.
13. These clarifications have been deemed as low to medium risk items and are identified within the Appendix.

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:

The Phase 4.1 - Tender Report was presented and approved at the CHBC Committee dated 19th December 2019.

See Appendix 1 for the Phase 4.2 - Tender Report Narrative.

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.