

Report to the Council Housebuilding Cabinet Committee



Report reference: CHB-009-2020/21
Date of meeting: 08 December 2020

**Epping Forest
District Council**

Portfolio: Housing and Community Services – Cllr H Whitbread

Subject: Tender Approval Report for Phase 4.3 and variations to 4.1 and 4.2

Responsible Officer: Deborah Fenton (01992 564221)
Service Director HRA

Democratic Services: J Leither (01992 564756)

Recommendations/Decisions Required:

- (1) That acceptance is recommended of the tender submitted by TSG Building Services PL in the sum of £4,039,436.45 including a £53,750 provisional sum for contaminated material removal. In addition a £197,655 provisional sum for statutory connections and diversions together with the proposed construction period of 52 weeks;**
- (2) That acceptance is recommended that Pick Hill is issued as a variation on Phase 4.1 and a new JCT Design and Build contract is placed, once planning is determined, for Woollard Street and Pentlow Way; and**
- (3) That acceptance is recommended that a contract is placed with Keith Peattie Associates for £28,230.00 for the Clerk of Works role on the Phase 4.2 group of sites.**

Executive Summary:

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 the phase 4.3 sites, consisting of 8 separate developments, however 5 Single Unit Sites were later excluded pending further review.

Tenders were invited from four Contractors from the Epping Framework Alliance Contract – Council House Building Programme; Indecon Building Ltd, Neilcott Construction Ltd, Roof Ltd and TSG Building Services PLC from Epping’s approved framework list.

- Indecon Building Ltd confirmed their intention to tender;
- TSG Building Services PLC confirmed their intention to tender;
- Roof Ltd declined the tender process due to their resource constraints after initially confirming their willingness to tender; and
- Neilcott Construction withdrew from pricing citing pre-construction resource constraints.

Tender returns were received on the 14 August 2020 as instructed within the Invitation to Tender.

This report sets out the tender submissions received, and the recommendations.

Reasons for Proposed Decision:

To ensure progression of the Council House Building Programme.

Other Options for Action:

To not progress the Council House Building Programme.

Report:

The returns are as follows and listed within Appendix A:

As mentioned in the introduction the tender included 8 separate development schemes. The five single unit sites were included within the original tender in anticipation of obtaining planning permission, but these are to be further reviewed and so have been excluded. This was largely due to concerns over viability. As such, post the tender returns, it became apparent that these sites should not be included within the 4.3 phase and they have therefore been removed from the programme. They will be considered at a later date following a massing review of each site.

Woollard Street and Pentlow Way have been resubmitted for planning approval and Pick Hill has planning approval in place.

In order to expedite completion of the schemes it is proposed that Pick Hill is issued as a variation on contract 4.1 and once Woollard Street and Pentlow Way receive planning approval a contract is issued for these as the remaining sites in phase 4.3

- Indecon Building Ltd - £6,102,132.00
- TSG Building Services PLC - £5,388,935.77

Sites and Units

Pick Hill

Demolition of garages and replacement with 2No. Affordable Homes with 6No. parking spaces and associated landscaping. (Planning REF: EPF/3089/16)

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

Pentlow Way

Demolition of existing garages and erection of 7No. Affordable Homes and 12No. parking spaces and associated landscaping. (Planning REF: EPF/2650/17)

- 6No. x 1 Bedroom flats and 1No * 2 bedroom flat
- The total gross internal floor area is 488m²

Woollard Street

Demolition of existing garages and erection of 9No. Affordable Homes with 19No. parking spaces and associated landscaping. (Planning REF: EPF/2170/17)

- 9No. x 1-bedroom flats

- The total gross internal floor area is 575m²

The tender returns also included several qualifications by both Contractors. Due to the higher tender return and list of qualifications in the Indecon submission, it was decided to pursue TSG's tender return to remove qualifications rather than also seek to remove qualifications from Indecon, resulting in the revised tender return figures (excluding the Single Unit sites) as follows:

- Indecon Building Ltd - £4,048,938.00
- TSG Building Services PLC - £4,039,436.45

Both tenderers submitted a list of clarifications within their original 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 A**. 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 within the Contractor figure and some held client side.

The tender from TSG Building Services PLC does include some provisional sums and, as such, we recommend that the Council accommodate the low risk clarifications within the Client contingency Control Account which can be managed during construction.

1. We therefore recommend acceptance of the tender submitted by TSG Building Services PLC in the sum of £4,039,436.45, including a £53,750 provisional sum for contaminated material removal, and a £197,655 provisional sum for statutory connections and diversions together with the proposed construction period of 52 weeks.

2. We recommend that in order to expedite progress Pick Hill is issued as variation on phase 4.1 and one JCT contract is placed once planning is determined for Woollard Street and Pentlow Way.

3. A mini competition took place for the Clerk of Works role for the 4.2 sites, it is recommended that a contract is placed with Keith Peattie Associates for £28,230.00 for the Clerk of Works role.

Resource Implications:

Resourced via the HRA

Legal and Governance Implications:

There are no Legal and Governance implications.

Safer, Cleaner and Greener Implications:

The continued delivery of the Council House Build Programme is compliant with the Council's Safer, Cleaner and Greener strategy

Consultation Undertaken:

None

Background Papers:

Report on a Competitive Tender - Phase 4.3 - Dated 22 October 2020 by EFDC's Employers Agent and Cost Consultant - Airey Miller Ltd - Ref: 2018/102/AH/KW Rev B.

Risk Management:

In tender report

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.