
Award of Contract - Development of Biggleswade South Gypsy and Traveller Site

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This report relates to a Key Decision

Purpose of this report

1. To provide tender evaluation information for approval by the Executive for the construction of a new Gypsy and Traveller Site at Biggleswade South. Approval is also sought for additional budget provision as the overall project cost will now exceed the original budget.

RECOMMENDATIONS

The Executive is asked to:

1. **approve the award of the most economically and qualitative advantageous tender to Contractor D in the sum of £1,690,081;**
2. **approve an additional £50,000 client contingency and £30,000 for Design Development; and**
3. **approve the total recommended budget of £1,770,081, being an increase in the approved budget for this project of £195,081.**

Overview and Scrutiny Comments/Recommendations

2. The report is not planned to go to the Overview and Scrutiny Committee.

Background

3. This report outlines the outcome of the tendering of the Biggleswade South Gypsy and Traveller Site Contract. This was procured using a JCT Design and Build Contract 2016.
4. The original budget provision for this project was £1,575,000.
5. The works were originally tendered, with the tender return being 31 March 2017. The lowest tender at this stage was for £2,070,380.
6. A value engineering exercise was undertaken with the bidders to reduce costs and the scope of works to an acceptable level, for which the bids were returned on 20 April 2017. The lowest clarified bid was £1,690,081 which presented a saving of £380,299 (18.4%) on the original bids.
7. There are a number of factors that could have influenced the tender figures received which include :
 - Potential increases in material costs and reduced labour resource availability following the Brexit referendum in 2016.
 - The “Off Grid” location of the site.
 - Other construction work within the area.
8. The revised tender submissions are higher than the approved business case of £1,575,000 but all original tenders were significantly above this estimate, produced in 2014 at the time the original Business Case was considered.
9. Following completion of the qualitative and quantitative evaluation, it is confirmed that Contractor D submitted the highest scoring submission.
10. Contractor D also submitted the most favourable commercial response scoring the full 70 points for the Financial Evaluation (1st), 13.6 points out of 20 for Quality and Service Delivery Evaluation (3rd) and 6 points out of 10 for the Presentation Stage (1st).
11. It is therefore the recommendation that **Contractor D** be appointed as the Main Contractor under the Design and Build JCT 2016 contract to develop the scheme to RIBA Stage 4 Detailed Design through to project handover, for the sum of **£1,690,081.00** (One Million, Six Hundred and Ninety Thousand, Eighty One Pounds and Zero Pence).
12. This is a lump sum contract using standard commercial terms following the Form of Contract which is supported by a priced schedule of work.
13. Any variations to the lump sum are to be agreed before the contractor is paid any additional or reduced sums.

14. It is also recommended that in addition to the tendered sum, £50,000 for Client contingency and £30,000 for Design Development contingency is included within the project budget due to the risks involved in relation to planning approval for reduced scope of works, and additional unforeseen factors that may be presented by this site.
15. In conclusion, the total recommended budget is **£1,770,081**, as set out below:

Description	Total
Form of Tender (Contractor D)	£1,690,081
Client Contingency	£50,000
Design Development Contingency	£30,000
Total Recommended Project Budget	£1,770,081

Reason/s for decision

16. To meet the accommodation needs of the Gypsy and Traveller population in Central Bedfordshire.

Council Priorities

17. The actions support the Council priorities by:
- Enhancing Central Bedfordshire – Improving the quality of publicly maintained Gypsy and Traveller site accommodation within the Central Bedfordshire area.
 - Creating stronger communities – Social cohesion between the travelling and settled communities in the Biggleswade area.
 - Protecting the vulnerable and improving wellbeing. It also contributes to the Council's ambition for 'Improved educational attainment'.

Corporate Implications

18. The site benefits from good design layout with excellent natural surveillance and the inclusion of a High Definition CCTV system which contributes to the community safety for the development.
19. A new bus stop located at the front of the site will enhance the public transportation links to the nearby town of Biggleswade and villages in the vicinity and will support the sustainability of the site.
20. A drainage strategy which incorporates an on site foul water treatment station ensures that the development meets public health requirements.

Legal Implications

21. The development will be administered using the JCT Design and Build Contract 2016.
22. Consideration was given to using the Standard Building Contract or NEC3 form of contract. However, the decision to use a JCT Design and Build Contract was made due to its flexibility and speed of delivery on site. Although there is far less control by the client on detailed design using this form of contract, the design risk rests entirely within the contractor's responsibility.
23. It is important to ensure that letters to unsuccessful tenderers comply with the Council's Procurement Rules. This will minimise/mitigate any risk of challenge from those tenderers.
24. Traveller matters can cause controversy resulting in a risk of challenges/complaints and general public interest. These risks can be minimised by ensuring that the Council's Procurement Rules are adhered to.

Financial and Risk Implications

25. The development has original budget funding of £131K per pitch incorporating £56K per pitch from the General Fund and HCA bid funding of £75K per pitch.
26. A financial viability assessment has been carried out which indicates that the development is scheduled to payback within a 45 year period.
27. An additional budget of £0.195M is required to facilitate this project, which will need to be financed either through additional borrowing or reduced spend elsewhere in the Capital programme.
28. It is probable that the Homes and Communities Agency would withdraw the grant funding of £ 0.9M if a decision is taken not to proceed with the development.

Equalities Implications

29. Central Bedfordshire Council has a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation

30. Equality and diversity are key issues for all directorates within Central Bedfordshire Council. As part of the tender evaluation, contractors demonstrated their compliance with the Corporate Equalities Policy and incorporate this commitment within their method statements. As part of ongoing contract monitoring arrangements, the Council will check that statutory service delivery and employment requirements relating to equality are met.

Procurement

31. The contract has been tendered in accordance with the Council's Corporate Procurement Rules.
32. A contract advert was placed on the Council's tendering portal and following assessment of Pre-qualification questionnaires, five contractors were invited to submit a tender by 10th March 2017.
33. One of those contractors failed to submit a tender and was therefore discounted from further consideration.
34. The Standard Award Criteria Evaluation Mode used is a points system based upon 70% of the points being awarded for financial submissions, 20% of the points being awarded for quality method statement submissions, and 10% of the points being awarded for the Interview / Presentation given to a panel of staff members and customers.
35. The Financial and Quality /Interview stages were marked / scored independently. This was to ensure that each aspect of the tender scoring was not influenced by the other, and to help build in a greater level of separation and objectivity in the process.
36. The criteria for assessment of quality covered the following specific areas: Method statements, resources, implementation plan, monitoring, social value, similar experience, direct and sub consultants labour management.
37. An evaluation panel was made up of officers, and a member of the travelling community to evaluate all tender bids. The information provided in the quality method statements was reviewed and the outcome of the evaluation was to recommend a contractor who met quality and financial criteria, and provided the most economically advantageous tender.

Conclusion and next Steps

38. If members agree to award the contract, the next step is to enter into a contract with the Contractor D and develop the site.

Appendices

EXEMPT

Appendix A - Tender report

Background Papers

None.