

## MUNICIPAL YEAR 2019/2020 REPORT NO.

### ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

OPERATIONAL DECISION OF:  
Executive Director - Place

Agenda – Part: 1	KD Num: 5053
<b>Subject:</b> <b>Enfield Highway Carnegie Building – Contract Award</b>	
<b>Wards: Enfield Highway</b>	

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### 1. EXECUTIVE SUMMARY

- 1.1 At the Cabinet Meeting of 23/01/19 (report number 133 and key decision KD4792), Cabinet approved the 2019/20 Corporate Property Investment Programme (CPIP), which included the proposals for the relocation of the Integrated Learning Disabilities Service (ILDS) into a redesigned and refurbished Enfield Highway Carnegie Building (EHCB).
- 1.2 Cabinet also approved the recommendation to conduct suitable procurement exercises and delegated authority to the Executive Director for Place, to make the decision for the award of the contract, following an appropriate and compliant tender exercise.
- 1.3 This report seeks approval to award a contract to “Contractor A” for the redesign and refurbishment of EHCB and approval for scheme expenditure funded from the CPIP 2019/20 and 2020/21 and the Corporate Condition Capital (CCCP) budget contribution.

### 2. RECOMMENDATIONS

- 2.1 To approve the contract award to “Contractor A” relating to construction works for EHCB as further detailed in Part 2 of this report.
- 2.2 To approve total expenditure relating to construction works for EHCB as detailed in Part 2 of this report.

### **3. BACKGROUND**

- 3.1** In January 2019, Cabinet and Council approved the initiation of the Council's Corporate Property Investment Programme (CPIP). The cabinet report set out proposals for early projects, including the EHCB redesign and refurbishment, to address immediate needs, whilst the Strategic Asset Management Plan and longer-term CPIP programme were developed
- 3.2** In April 2019, the Executive Director, Place approved pre-construction expenditure, the appointment of consultants via a compliant Framework and the procurement strategy (PL18 170 & KD4877) for the EHCB project.
- 3.3** Officers have worked with the design consultants, Pick Everard, and the service users, Integrated Learning Disabilities Service (ILDS) to ensure the proposed designs of the building will be fit for purpose and compliant.
- 3.4** Planning consent for these works was granted on 13<sup>th</sup> December 2019 (reference 19/03361/RE4).
- 3.5** The in-house Building Control team will be used for Building Regulations approval.

See Part 2

### **4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1** Various designs within the EHCB and site were considered to determine what would provide the best operational use and most cost-effective solution for the project. The design has been value-engineered to ensure the most cost-effective solution that meets the clients brief.
- 4.2** A list of five tenderers were jointly selected by the project team based on location, turnover, relevant experience, Construction Line status and proven experience working with the client team. All tenderers confirmed their agreement to submit a tender in line with the project programme.
- 4.3** The tender exercise was carried out in accordance with Contract Procedure Rules and closed on 27<sup>th</sup> November 2019. Tenders were received from all 5 contractors. Consultants Stace LLP, assessed all submissions and on 12<sup>th</sup> December 2019 recommended awarding the contract to "Contractor A".

### **5. REASONS FOR RECOMMENDATIONS**

**5.1** Following analysis of the tender submissions and the completion of the price evaluation by Stace LLP, it is the recommendation of their report that “Contractor A” be accepted for the refurbishment. Their tender submission is the most economically advantageous, represents value for money, and is compliant with the 32-week programme and client brief.

**5.2** The project programme indicates that the successful contractor will commence works on site w/c 09<sup>th</sup> March 2020 in accordance with the project programme.

## **6. COMMENTS FROM OTHER DEPARTMENTS**

### **6.1 Financial Implications**

See Part 2.

### **6.2 Legal Implications**

6.2.1 The Council has a general power of competence under section 1(1) of the Localism Act 2011 to do anything that individuals may do, provided it is not prohibited by legislation and subject to Public Law principles. This power includes the power to enter into contracts.

6.2.2 This decision will constitute a Key Decision as the Contract’s value exceeds £250,000. This item has been included in the Key Decision List under the reference KD5053. Once approved, the decision will be subject to the usual five-day call-in period.

6.2.3. Pursuant to Council’s Contract Procedure Rule 1.23, for works contracts over £1,000,000 a business case must be taken to the Procurement and Commissioning Review Board to approve the procurement. The procurement strategy and approach was agreed at the Procurement & Commissioning board on 12/03/19.

6.2.4 The Council must ensure value for money in accordance with the overriding Best Value Principles under the Local Government Act 1999.

6.2.5 The Contract will need to be sealed by Legal Services on behalf of the Council (CPR 17.3)

6.2.6 The works contract is proposed to be the JCT Intermediate Building Contract Without Quantities, 2016 Edition. Insurance option C (the employer ensures the works) is to apply.

6.27 If the contract value for the works is £250,000 or over sufficient security in the form of either a Parent Company Guarantee or a Performance Bond must be required to manage risk. Evidence of the form of security required or why no security was required must be stored and retained on the E-Tendering Portal for audit purposes.

### **6.3 Property Implications**

- 6.3.1. This is a CPIP project reducing revenue costs relating to the lease of St. Andrew's Court, to create a new fit for purpose facility for the and to provide an appropriate use for the vacant Enfield Highway Carnegie Building. CPIP will be the ongoing programme that will deliver the construction outcomes of the Strategic Property Framework and Strategic Asset Management Plan, which was agreed by Cabinet on 12<sup>th</sup> June 2019.
- 6.3.2 This report proposes the tender award for works. The January 2019 Cabinet Report PL18 088 / KD4792 sets out the property implications associated with the project.
- 6.3.3 All new or revised asset data arising out of the proposed works will be sent by the Project Manager to the Property Information Team within Strategic Property Services for input onto the Asset Management Data System, including revised site plans, floor plans, asset information and maintenance regimes and other information required by that team.

## **7. KEY RISKS**

The key risks identified at this stage are:

- 7.1 Delays to the programmewill result in further rental costs for the Council. This has been inherently mitigated by early engagement of technical consultants and close management of the programme activities.
- 7.2 Cost increases could result in insufficient budget and the need to utilise the project contingency. This will be mitigated by rigorous Cost Planning from the outset and robust change control. The competitive tenders should provide the best price from the market, but inflation is currently difficult to predict due to uncertainty around supply chain and labour costs.
- 7.3 A detailed Risk Register must be maintained throughout the process to inform the project contingency and that alongside the Cost Plan will provide early warning of Cost increase

## **8. INTERNAL DEPARTMENT IMPLICATIONS/CONSULTATION**

N/A

## **9. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD**

### **9.1 Good homes in well-connected neighbourhoods**

No Implications

## **9.2 Sustain strong and healthy communities**

Further improvement and investment in the EHCB will potentially provide greater opportunities for enhanced community use. The very nature of the services to be delivered from the project will continue to provide support and health facilities to some of Enfield's most vulnerable residents.

## **9.3 Build our local economy to create a thriving place**

9.3.1 Utilising the currently vacant EHCB to deliver a busy customer service and office for 80+ staff will bring additional footfall to the area, supporting the local shops and businesses.

9.3.2 Providing a reasonable work environment for our staff will enable them to better deliver the essential services they provide to our customers. In turn this will enhance people's ability to reach their full potential by accessing opportunity and encouraging them to reach their potential

## **10. EQUALITIES IMPACT IMPLICATIONS**

Equalities have been considered throughout the design phase of the project to ensure the Council meets its duties. Some of the new design features, such as Makaton Signage, will enhance the customer experience.

## **11. PERFORMANCE AND DATA IMPLICATIONS**

Regular monitoring of the project will ensure value for money is obtained and project effective delivery.

KPIs around the ILDS service delivery will continue to be reviewed and scrutinised to ensure that there is no negative impact on service users and performance.

## **12. HEALTH AND SAFETY IMPLICATIONS**

The Construction (Design and Management) Regulations 2015 apply to this project and the Council will be deemed to be the "Client" and as such has a duty to appoint a "Principal Designer" and to appoint a "Principal Contractor".

The provision of new buildings and structures and the planning and timely maintenance and repair of these Council buildings and associated assets, is fundamental in reducing risks to occupiers and members of the public.

## **13. HR IMPLICATIONS**

No Implications

#### **14. PUBLIC HEALTH IMPLICATIONS**

Council staff and service users will be accessing the new building. It will be important to consider, within the design/ development of the new building, how to maximise the health and wellbeing of staff and service users. Examples of this maybe good signage to stairs rather than lifts, ensuring that staff have opportunities to prepare healthy food on site, signage around smoke free areas. Also consideration of associated issues such as opportunities for active travel rather than car use.

#### **Background Papers**

None