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| Cabinet Meeting | | Agenda Item: 5 |
| Meeting Date | 15 June 2016 | |
| Report Title | Award of Groundworks Contract for Great Easthall Community Centre. | |
| Cabinet Member | Cllr Duncan Dewar-Whalley, Cabinet Member for Finance. | |
| SMT Lead | Kathryn Carr, Director of Regeneration | |
| Head of Service | Emma Wiggins, Head of Economy and Community Services | |
| Lead Officer | Charlotte Hudson, Economy and Community Services Manager | |
| Key Decision | No | |
| Classification | Open | |
| Forward Plan | Reference number: | |
| Recommendations | 1. To delegate authority to the Head of Economy and Community Services, in consultation with the Cabinet Member for Finance and Performance, to approve the appointment of the Groundworks Contractor for the Great Easthall Community Centre. | |

1 Purpose of Report and Executive Summary

- 1.1 This report provides Cabinet with an update on progress of the Great Easthall Community Centre project, and requests delegated authority to award the Groundworks contract to the preferred supplier.

2 Background

- 2.1 Great Easthall is a new build development within Sittingbourne. The development was subject to a S.106 agreement that provided £1.2 million and land for the construction of a community centre.
- 2.2 The S.106 was varied in 2014 to allow for the funding to be provided up front at a reduced amount of £1.02 million, on the proviso that the scheme was completed by March 2017.
- 2.3 Land has been allocated for the Community Centre, and its freehold transfer (from owners Medical Centre Developments) is currently being finalised by Legal Services under the terms of the S.106.

- 2.4 A professional team has been appointed and consists of a Project Manager, Architect (Principal Designer), Cost Consultant, Mechanical and Electrical Engineer, and Civil, Structural and Public Health Engineer. The team has progressed with the design of the community centre based on an overall construction budget of £810k. The current programme aims for completion in February 2017.
- 2.5 Due to construction price inflation and in order to maximise value for money, the project team agreed a construction management route for the procurement of the project. The Construction Manager was appointed by Cabinet in February 2016, and he has overall management of the site and preliminaries. The various sub-packages that constitute the build were planned to be procured separately, thus reducing the overhead and profits that a main contractor would achieve, so mitigating any construction price inflation to maintain the project within the budget parameters.
- 2.6 The procurement of the build was developed into 18 lots, and their procurement was conducted as an open tender, advertised through the Kent Business Portal and SBC Website. The tender was issued to all those organisations who had expressed an interest.
- 2.7 This report specifically relates to the Groundworks package. The remaining 17 lots are being evaluated, and all those under the threshold for Cabinet decisions will be appointed under delegated authority of the Head of Service in consultation with the Cabinet Member for Finance and Performance, with the remainder due to be brought forward to award at Cabinet in July.

Groundworks Tender

- 2.8 The procurement of the Groundworks package did not attract any compliant tenders. Following this unsuccessful tender process, legal advice was sought, as a result of which open negotiations were entered into with the non-compliant tenderer and the Construction Manager to obtain these services directly from their supply chain as an alternative procurement route.
- 2.9 The Construction Manager has obtained three quotes from their supply chain and agreed to work under an open book management recharge system with a transparent overheads and profit uplift for the total sum.

3 Proposals

- 3.1 To delegate authority to the Head of Economy and Community Services in consultation with Cabinet Member for Finance and Performance, to approve the appointment of the Groundworks Contractor for the Great Easthall Community Centre.

4 Alternative Options

- 4.1 One option is to re-tender the groundworks package and all sub-packages that had non-compliant tenders. However, this is not recommended as it is unlikely to yield a better return, and given the tight timescales for the project this would make the project unviable as it would be unlikely to be completed within the requirements of the S.106 agreement.
- 4.2 A second option is to re-tender for a main contractor. However, this is not recommended as it would require the termination of the Construction Manager Contract and a loss of fees paid to date on pre-construction works. In addition, and as with 4.1, there would be a significant delay to the project, moving the end date to July 2017, which would require a negotiation to vary the S.106 agreement.
- 4.3 A final option is that the contract is not awarded and the community centre is not built. However, this is not recommended as there is an identified need for the community centre, and funding for the project is in place which would have to be returned to the developers.

5 Consultation Undertaken or Proposed

- 5.1 Community consultation has been carried out with Great Easthall residents to inform the design process and requirements for the community centre.

6 Implications

| Issue | Implications |
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| Corporate Plan | The completion of the Great Easthall Community Centre assists in delivering the 'Community to be proud of' priority within the Corporate Plan. |
| Financial, Resource and Property | S.106 funds have been secured for the Capital project. A project manager is in place to oversee the project, and other professionals have been procured to carry out specialist functions. |
| Legal and Statutory | Legal and procurement advice has been sought and adhered to through the contract negotiation period. A standard JCT contract will be entered into with the Groundwork Contractor. |
| Crime and Disorder | Design of the building has taken into consideration the need to design out crime. Good management of the building will reduce the likelihood of damage to the property. |
| Sustainability | Within the budget constraints that apply, design of the building has |

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| | <p>taken into consideration environmental and sustainability issues.</p> <p>The community centre will be managed by a Trust in the future, and a commuted sum will be provided from the S.106 funds towards future maintenance and running costs.</p> |
| Health and Wellbeing | The community centre will offer hireable space for a range of activities, a number of which will enhance the health and wellbeing of residents in the Borough. |
| Risk Management and Health and Safety | A CDM-Co-ordinator is being procured to carry out the client CDM-C duties, and the architect has been appointed as Principal Designer. The Construction Manager will be responsible for the health and safety on site. |
| Equality and Diversity | Design of the building ensures the building is compliant with the Disability and Discrimination Act. |

7 Appendices

7.1 None.

8 Background Papers

8.1 None.