

For General Release	
REPORT TO:	Cabinet Member for Economy and Jobs 21 September 2015
AGENDA ITEM:	Part A Background document – Cabinet item 13.1 – 21 September 2015
SUBJECT:	Connected Croydon - London Road (Section B) Public Realm Improvement Works
LEAD OFFICER:	Jo Negrini, Executive Director for Place
CABINET MEMBER:	Cllr Simon Hall, Cabinet Member for Finance & Treasury <i>And:</i> Cllr Toni Letts, Cabinet Member for Economy & Jobs
WARDS:	
CORPORATE PRIORITY/POLICY CONTEXT:	
<p>The London Road Public Realm Improvements project (the project) is part of the High Streets project and is a component of the Council's Connected Croydon Programme. The projects within the programme have been approved individually as they have become ready for implementation.</p> <p>Connected Croydon is a £52m programme of coordinated public realm projects and transport improvements that will transform Croydon Metropolitan Centre into a more walkable and liveable place.</p>	
AMBITIOUS FOR CROYDON & WHY WE ARE DOING THIS:	
<p>London Road Public Realm forms part of the Connected Croydon High Streets programme; a key component to develop a high quality public realm and to improve local character. These works are also an element of the West Croydon Masterplan and deliver key outputs stated the GLA's Mayor's Regeneration Fund</p>	
FINANCIAL IMPACT SUMMARY:	
<p>Approval of this recommendation to enter into a contract to deliver construction works services for Section B of the London Road Public Realm Improvement, which will commit a total of £925,757 from the Mayors Regeneration Fund budget.</p> <p>All funding is secured and there are no revenue consequences as a result of this recommendation.</p>	
KEY DECISION REFERENCE NO.: N/A	
This is not a Key Decision	

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1. RECOMMENDATIONS

The Leader of the Council has delegated to the Cabinet Member for Economy and Jobs in consultation with Cabinet Member for Finance and Treasury the authority to make the decisions set out in the recommendations below.

The Cabinet Member for Economy and Jobs in consultation with the Cabinet Member for Finance and Treasury is recommended to:

- 1.1. Approve the award of a construction works contract for London Road (Section B) Public Realm Improvements project (“the Works”) to the contractor detailed in the associated Part B report for the total contract sum of £925, 757.

2. EXECUTIVE SUMMARY

- 2.1 The Works that are the subject of this report form the second of three phases of the London Road Public Realm Improvement Project. The first phase was completed in May 2015 and the third phase is scheduled to be tendered in September 2015.
- 2.2 This report advises the Cabinet Member of the tenders received for the second phase; London Road Public Realm (Section B). As a result of the tenders containing exempt information as defined in paragraph no. 3 of Schedule 12a to the Local Government Act 1972 (as amended), the report is in two parts; Part A details the scheme justification and options analysis, whilst Part B contains financial data relating to the recommendation of contract award.
- 2.3 The procurement strategy, which encompassed the overarching Connected Croydon programme of works to be delivered over the following 3-4 years, was agreed through the Contracts and Commissioning Board on 20 November 2013.
- 2.4 The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB Approval Date	CCB ref. number
18 September 2015	CCB1047/15-16

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3 DETAIL

- 3.1 In accordance with the agreed procurement strategy to invite tenders using the Council's approved list for construction companies 'Constructionline', five contractors were invited to tender against a detailed specification. Three tenders were received by the deadline of noon 30th June 2015 and two failed to respond.
- 3.2 The tenderers' proposals, including their responses to qualitative and commercial questions, were evaluated by the tender evaluation panel (comprising three officers of the Council from Placemaking and Capital Delivery) to ensure compliance with tender instructions, arithmetic accuracy and the quality of responses to the qualitative questions.
- 3.3 The approved procurement strategy was to assess which bid offered the most economically advantageous tender by using an evaluation matrix that adopted the Council's standard weighting that awards 40% of the total marks to quality and 60% to price. The tenderer with the highest combined score is then judged to have provided the most economically advantageous tender.
- 3.4 Following clarification interviews with the three tenderers on 14 July 2015 and in accordance with the Council's Tenders and Contracts Regulations, all tenderers were asked to re-submit revised prices based on commercial clarifications presented at those clarification interviews. Revised prices were received from all three tenderers by the deadline of 12 noon 22 July 2015. The adjusted prices received from the three tenderers were:

Bidder	Price	% higher than lowest tender	Price Score
Bidder A	£ 925,757.14	0	60.00
Bidder B	£ 957,979.12	3.49%	57.91
Bidder C	£ 1,496,007.91	61.6%	23.04

- 3.5 All three prices were found to be arithmetically correct. Bidder C's price was considerably higher due mainly to their contract preliminaries pricing. Contract preliminaries are the element of the tender sum in which bidders price for risk, management overheads and profit.
- 3.6 The tenderers' responses to the "quality questions" listed in Part A of this report were evaluated by the tender evaluation panel as follows:

Bidder	Qu.1 (max 5)	Qu.2 (max 5)	Qu.3 (max 5)	Qu.4 (max 5)	Qu.5 (max 5)	Total Score	Quality Score (%)
Bidder A	2.67	3.0	2.33	3.67	2.33	14	39.07
Bidder B	2.33	3.33	3.0	2.67	3.0	14.33	40.00
Bidder C	2.0	2.0	1.33	2.0	3.0	10.33	28.17

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3.7 Most Economically Advantageous Tender

Bidder	Price Score (60%)	Quality Score (40%)	Total
Bidder A	60	39.07	99.07
Bidder B	57.91	40.0	97.91
Bidder C	23.04	28.17	51.21

4. CONSULTATION

4.1 The impact of these Works will cause disruption to traffic flows and parking/loading within the immediate area and in turn could impact on the surrounding areas.

4.2 The following processes will be implemented to try and mitigate disruption:

- A traffic management plan will be prepared by the contractor and will be published in the public domain on the Council's website in advance of the Works commencing;
- An effective communications plan will be implemented ensuring that stakeholders receive timely information and updates
- A logistics plan will be implemented and routinely monitored and updated through the life of the project.

5. FINANCIAL AND RISK ASSESSEMENT CONSIDERATIONS

5.1 Revenue and Capital Consequences of Report Recommendations

For revenue and capital consequences of report recommendations, please refer to Part B of this report.

5.2 Effect of the Decision:

The award of contract for the Works will commit a total sum of £925,757 from the Mayors Regeneration Fund budget.

5.3 Risks:

5.3.1 The contract will be a re-measurement, not a fixed-price contract, meaning that if errors or omissions in the Works information provided by the Council or , as with other contracts, post-contract changes made by the Council result in the contractor incurring additional costs then the Council is obliged to pay those costs. These risks are considered fairly low, and the financial impact of these risks should they occur are estimated as being containable within the project contingency.

5.3.2 Although the project is majority-funded by the Mayor's Regeneration Fund, it is a condition of funding that all risks after the award of construction contract are

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carried by the Council. Any overspend, therefore, would have to be met by the Council.

5.4 Future Savings / Efficiencies:

There are no particular savings associated with this contract award; however, the improvements should remove mid-term need for repair and maintenance associated with the current provision

Approved by: Dianne Ellender, Head of Finance & Deputy S151 Officer

6 COMMENTS OF THE COUNCIL SOLICITOR

6.1 The Council Solicitor comments that the procurement process as detailed in this report meets the requirements of the Council's Tenders and Contracts Regulations and the statutory duty to demonstrate best value under the Local Government Act 1999.

Approved by: Gabriel Macgregor, Head of Corporate Law on behalf of the Council Solicitor & Monitoring Officer

7 HUMAN RESOURCES IMPACT

7.1 This report does not directly raise considerations of staffing levels, restructuring/regarding, TUPE implications, recruitment, employee relations, the Council's personnel policies or other Human Resources matter and therefore has not sought approval from Human Resources.

Approved by: Adrian Prescod, HR Business Partner on behalf of the Director of Human Resources

8 EQUALITIES ANALYSIS

8.1 The detailed aspects of the entire High Streets project have been screened by the external design team and by the Council's Mobility Officer in accordance with the requirements of an Equality Impact Assessment (EQIA). Their recommendations, relating principally to compliance with the DfT's mobility guidance, have been incorporated in to the design.

8.2 The EQIA will continue to be updated during construction and prior to scheme completion.

9 ENVIRONMENTAL IMPACT

9.1 The proposals for the Works have been carefully developed to ensure a positive environmental and design impact.

9.2 The main environmental impacts / benefits of the wider project include:

- Improved walking and cycling facilities for all people
- Increased public transport use by improving access to the bus stops.

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- Enhanced biodiversity through additional planting.
- Minimization of carbon footprint in terms of new construction and on-going maintenance activities.

9.3 The proposed contract will promote:

- The sustainable management of construction waste re-use of materials on site.
- the use of sustainable / recycled material.
- Reduction of waste generated and reuse of materials.
- Planting that has low water demand to minimise irrigation costs.

10 CRIME AND DISORDER REDUCTION IMPACT

10.1 Whilst there are no direct crime and disorder consequences of this proposal, the creation of a sense of place that these public realm enhancements will deliver is designed to increase community pride, leading to less crime and fewer incidents of anti-social behaviour.

11 REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

11.1 The Contractor's tender submission for the Works was evaluated by the Council's project officers, Employers Agents and Quantity Surveyor (QS) to ensure compliance with the specification. The pricing documents were checked against industry benchmarks and for arithmetical errors. The QS confirmed the costs for the Works represent value for money as can be determined at this stage of the construction process.

11.2 The recommendation contained within this report is to award the contract for the Works to the compliant tender submission as it was considered to offer the best value for money and can be delivered within the programme with no risk of further delays.

12 ANY OPTIONS CONSIDERED AND REJECTED

12.1 As the bids received were compliant and deemed to offer Value for Money, no further options were considered

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