

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ENVIRONMENT AND NEIGHBOURHOOD SERVICES

TO:	POLICY COMMITTEE		
DATE:	13 FEBRUARY 2017	AGENDA ITEM:	8
TITLE:	CONTRACT AWARD - LOWFIELD ROAD TEMPORARY ACCOMMODATION PROJECT, CONSTRUCTION OF 28 TEMPORARY ACCOMODATION UNITS AT LAND OFF LOWFIELD ROAD IN CAVERSHAM		
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1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The report seeks approval for the award of a contract for the provision of 28 Temporary Accommodation units at land off of Lowfield Road in Caversham.

2. RECOMMENDED ACTION

- 2.1 That Policy Committee resolves to award a contract to Morris & Blunt Limited for the supply and installation of 28 Temporary Accommodation units and associated groundworks, landscaping and infrastructure at land off Lowfield Road in Caversham.

3. LOWFIED ROAD TEMPORARY ACCOMODATION PROJECT

- 3.1 The Lowfield Road Accommodation Project aims to provide 28, 2 bed accommodation units on land off Lowfield Road in Caversham. Temporary Planning permission for a period of 5 years has been granted for 28 modular units, consisting of 7 blocks of 4 units, 2 storeys high, along with road alterations, planting, landscaping and the provision of a children's play area. The 28 units are intended solely to provide temporary accommodation for those families currently in bed and breakfast accommodation.
- 3.2 Research of the market place concluded that a number of options existed for dealing with the challenge of providing low cost modular accommodation units which could be relocated in the event that the land was required for permanent development or a change of use occurred. From this exercise it was established that steel construction modular accommodation units offered the best value for money and therefore the material specification for the invitation of tenders was written around this type of unit.

- 3.3 In accordance with the Council's Contracts Procedure Rules and the Public Procurement Regulations 2015, expressions of interest were sought from interested suppliers and contractors and tenders invited against a specification of the Council's requirements. 6 tenders were received, ranging in price from £1.95m through to £3.6m against an agreed spend for the project of £1.86m.
- 3.4 The responses received varied in quality from comprehensive to outline only; in all cases the tenders submitted either did not address the Council's requirement for a steel construction modular unit as indicated in the material specification and be fully compliant with the Planning permission granted or failed to provide sufficient detail of their solution to establish whether or not the specification requirements would be met. Therefore the Council is unable to accept any of the tenders on the grounds that the responses significantly exceed the available budget or are not fully compliant with the requirements of the Council's specification.
- 3.5 Having conducted a fully compliant procurement process and not obtained suitable tenders that meet the Council's requirements, an alternative course of action is needed. The Council could choose to retender the contract, but this would cause further delay to the project which is intended to meet acute need. Having tendered unsuccessfully already, the Council can choose to negotiate a contract directly with a single provider without further advertisement provided that the terms of any such contract are not substantially altered. The Council is proposing to negotiate a contract directly with a potential provider on the basis that the Contract is urgently required and the delay in preparing and running a fresh competitive procurement is unlikely to deliver a value for money solution for the Council.
- 3.6 Under the Section 4 Exemptions in the Contracts Procedure Rules, exemption from the requirement to tender can be applied where there is genuine urgency and/or there are demonstrable benefits in service or value for money or price are likely to be obtainable by way of direct negotiation with the potential supplier or contractors.
- 3.7 In considering this approach we have looked at the contractors who have executed contracts recently and/or those who are currently working on contracts for the Authority of a similar value. In carrying out this exercise, the need for a general contractor was realised, one that can carry out a variety of tasks, from site clearance to groundworks to landscaping and deal with any issues that arise out of the supply of the modular units. In addition any contractor chosen would have to have experience of developing similar sites and dealing with typical issues that arise.
- 3.8 Morris and Blunt Ltd (MBL) who are currently working on the refurbishment of flats at Hexham Road were identified. MBL have completed two phases of Hexham Road (one negotiated, one tendered) and are about to start a third, each contract's value is similar to the Lowfield Road requirement, and in addition they are experienced in similar development projects. To establish a link to a competitively tendered project and therefore value for money MBL have agreed to use rates already accepted on the Hexham Road project.

3.9 The timescale for the project has been recast due to the compound effect of a number of delays. Most significantly as a result of Planning requirements and due to non-compliant tender returns; the need to then appraise options subsequently; and the requirement to implement the revised approach. Scheme completion is now anticipated by late summer, subject to the proposal from the intended contractor.

4. CONTRIBUTION TO STRATEGIC AIMS

4.1 'Safeguarding and protecting the most vulnerable' and 'providing homes for those in most need' are both corporate plan priorities and the contract will support these aims by:

- Providing 28 accommodation units for families in emergency accommodation,
- Reducing the dependency on Bed and Breakfast accommodation and reducing the spend on such provision.

5. COMMUNITY ENGAGEMENT AND INFORMATION

5.1 During the Planning Application process comments were invited from the Caversham community and from the Registration and Bereavement Services Manager in respect of the adjoining Cemetery.

6. EQUALITY IMPACT ASSESSMENT

6.1 There is no Equalities Impact Assessment required for this contract.

7. LEGAL IMPLICATIONS

7.1 This contract has been procured in accordance with the Public Contracts Regulations 2015, procedures and RBC Contracts Procedure Rules.

8. FINANCIAL IMPLICATIONS

8.1 The value of the contract is within the approved spend for this project, by entering into a negotiated procurement, all known risks have been included, for those unknowns a contingency sum is included. Spend of £1.2m to support the development has been approved. It was further agreed that should the capacity of the development allow for additional accommodation beyond the proposed 18 units further spend approval be delegated to the Director of Environment and Neighbourhood Services and the Head of Finance in consultation with the Lead Councillor for Housing. This equates, pro rata, to a budget of circa £1.87m for 28 units.

9. BACKGROUND PAPERS

9.1 Report to the Housing, Neighbourhood and Leisure Committee dated 18th November 2015.