

# **MAYORAL PROCEEDINGS**

**Meeting held on 1st December 2011  
in Council Chamber, Newham Town Hall, East Ham, E6 2RP**

**Present:** Sir Robin Wales (Chair)

**Also Present:** Councillors Andrew Baikie, Ian Corbett,  
Richard Crawford, Lester Hudson, Joy Laguda,  
Riaz Ahmed Mirza, Quintin Peppiatt and  
Neil Wilson

**The meeting commenced at 10.00 a.m. and closed at 10.43 a.m.**

## **1. Declarations of Interest**

There were no declarations of interest.

## **2. East Ham Civic Campus - Procurement Approval of the Contractor for the Site**

The Mayor was asked to consider a report seeking post procurement approval to continue with the development of the East Ham Civic Campus project with the main contractor for the stage 2 construction period with the intention of awarding a final contract. This is to ensure that works onsite can commence as soon as possible

Following the decision at Cabinet on 20<sup>th</sup> May 2010 and the subsequent decision of the Chief Officer (under delegated power) on 21<sup>st</sup> September 2010 to approve the appointment of BAM as the main contractor for the stage 1 pre construction period of the East Ham Campus programme of works and the new-build Customer Service Centre and Library (CSCL) , this report asks for post procurement approval to continue with the development of the project with the main contractor for the stage 2 construction period with the intention of awarding a final contract. This is to ensure that works onsite can commence as soon as possible, following contracts being agreed which was a condition stipulated by English Heritage to allow any demolition works to proceed.

This approval also allows for discussions with the contractor to proceed with an early works package, which is designed to bring forward the eventual final completion date of the works identified in the report.

The designs for the CSCL, and the East Ham Campus , and the East Ham Campus Buildings Future Uses Strategy were approved at Mayoral Proceedings on 6<sup>th</sup> October 2011.

## Reason for Urgency

In order for the Council to enter into discussions with the contractor, BAM, for early works and to finalise the detailed costs with an intention to award a contract. This follows the stipulation by English Heritage that contractual arrangements are in place before any works commence onsite.

## Decision

The Mayor agreed to:

1. note the position in respect of progress with the selected tenderer (BAM) under the pre-construction agreement;
2. approve the continuing discussions with BAM for the stage 2 construction period programme of works for East Ham Campus and the new build Customer Service Centre & Library (CSCL) at 328 Barking Road;
3. approve the continuation of the Executive Director for Regeneration, Planning and Property's delegated authority to engage with BAM to endeavour to reach agreement to finalise a contract, which includes development of a separate package of early works and to award in line with the Council's Chief Officer Scheme of Delegation. The early works form part of the overall programme of works and consist of:
  - Asbestos survey and removal
  - Installation of hoarding to secure the site
  - Site clearance
  - Site set up.
  - Demolitions work
  - The final cost of the early works package is subject to the asbestos survey but is estimated to be between £500,000 and £1million;
4. note that the main contract package for the CSCL build and the East Ham Campus refurbishment and redevelopment will not be awarded without Mayoral Approval of the final detailed costs of the works.;
5. note that a final award of a contract is reliant on a favourable Secretary of State planning determination, anticipated end January 2012; and
6. a report be brought back to Mayoral Proceedings should there be any major changes to the value of the contract.

## Reasons for the Decision

In order to maintain an aggressive programme of works and apply a value managed approach to build the CSCL and redevelop and refurbish the surrounding Campus buildings, a 2 stage mini competition process for the

contractor was undertaken under the Improvement & Efficiency South East (IESE) and London construction framework for Major Construction Projects.

The tendering process was taken forward by comparing the quality of the team, their approach and their defined cost for the pre construction works and their indicative costs for the stage 2 construction works.

All affiliates to the IESE framework were asked to bid to provide allow for an open and competitive tender

The quality and approach of each team was awarded up to 80% of the score, and the cost up to 20%. This is a requirement of the IESE framework. It is felt that the contractor proposed provides the best approach and value for the Council.

The procurement of the contractor using the IESE framework is a two stage process with a pre-construction agreement for assistance with design development culminating in a collaborative/partnering contract for the second stage for the delivery of specific projects within the overall programme.

The benefits of adopting a two stage approach using are as follows :

- There is no requirement to adopt the full OJEU tender process which would otherwise have to apply. This would have likely extended the programme of works for up to another year.
- The selected contractor can start earlier on site and ensure a co-ordinated approach is applied to the works which in turn minimises disruption to staff and ensures a better health and safety practice is in place to keep all from harm when accessing the campus and surrounding area.
- A better process for management of eventual cost as the stage 1 process will definitively scope the programme and costs of the stage 2 works and the stage 1 process is in place for early contractor involvement to ensure they can keep to the anticipated bid costs and look for value managed efficiencies to improve upon this.
- A realistic baseline programme of works is developed after the detailed design has concluded. This means costs are more accurate, there is more time to value engineer variations that were not included in the original scope of the programme, and this creates a more transparent, open book arrangement allowing the Council a stronger position to manage the NEC 3 Target Cost type contract.

As the pre-construction design phase is now close to completion, and a planning application has been submitted, it is now necessary to begin discussions for stage two of the construction works to allow works on site

to begin as soon as possible. By beginning discussions now, this will allow the contractor more time to market test and value engineer the initial fixed price.

English Heritage has stipulated that contractual arrangements are in place before any works commence onsite. The two main contracts (one for the Customer Service Centre & Library build and one for the East Ham Campus redevelopment and refurbishment) will be executed simultaneously in accordance with the phased programme of works supported by English Heritage and which are anticipated to be approved by the Secretary of State in January 2012.

Should the recommendations not be approved then the programme will be put at risk with likely abortive costs to the design team and a reputational risk with English Heritage.

*This decision is subject to the call-in process as the decision was based on part exempt information. The call-in period will expire at 5pm on 11 December 2011.*

### **3. Tall Block Refurbishment Programme - Acceptance of Tender**

The Mayor was asked to consider a report that provided details of the EU Restricted Procedure procurement process for refurbishment works at the following blocks: In addition the Mayors approval was sought to accept tenders submitted by the successful tenderers for Lots 1, 2 and 9.

- Lot 1 - Priory Court
- Lot 2 - Henniker Point
- Lot 3 - Scott House and Willett House
- Lot 4 - Arthur Walls House
- Lot 5 - Twelve Acre House
- Lot 6 - Blakesley House
- Lot 7 - Castle Point
- Lot 8 - 8-118 Seymour Road
- Lot 9 - 46-134 Paul Street

#### **Decision**

The Mayor agreed to:

1. Approve the acceptance of the tender submitted by the successful tenderer for refurbishment works at Priory Court;
2. Approve the acceptance of the tender submitted by the successful tenderer for refurbishment works at Henniker Point;
3. Approve the acceptance of the tender submitted by the successful tenderer for refurbishment works at 46-134 Paul Street; and
4. Delegate to the Executive Director Environment in consultation with

the Executive Director Resources and the Executive Member for Housing and Customer Service, authority when funding is available to make further awards for to the tenderers identified in the Exempt Appendix 1 for 6 further projects at Scott and Willett Houses, Arthur Walls House, Twelve Acre House, Blakesley House, Castle Point and 8 -118 Seymour Road subject to funding being available to enable the projects to proceed and to leaseholder consultation.

#### **Reasons for the Decision**

The recommendation to accept the tenders follows a competitive procurement process in compliance with EU Procurement Directives and including both price and qualitative elements.

The works included in the projects are essential to meet the maintenance needs of the blocks and Decent Homes standard and are consistent with commitments to residents.

*This decision is subject to the call-in process as the decision was based on part exempt information. The call-in period will expire at 5pm on 11 December 2011.*

#### **4. Decommissioning Contracts for Meals in the Home and Meals at the Resource Centre**

Withdrawn.

#### **5. Write-Off Proposals Business and Citizen Debts**

The Mayor was asked to consider a report seeking approval to write-off outs Former Tenant Arrears debts.

Each of the individual amounts are over £20,000 for Citizen debts and therefore Mayoral approval as per the Corporate write-off policy.

**The Mayor agreed to exclude the press and the public from the meeting during consideration of the following exempt information:**

Exempt Appendix 1 for Agenda Item 5

#### **Decision**

The Mayor agreed:

1. the write-off of all debts set out at exempt Appendix 1 of the report attached to the Agenda;
2. a report will be submitted to the next Mayoral Proceedings on 12 January 2012, providing a detailed breakdown of the circumstances leading up to each case of debt; and
3. a report detailing the 10 largest debts incurred by the Authority is to be

considered at a meeting attended by the Mayor and Executive Members.

### **Reasons for the Decision**

Officers are required under the Corporate Write-off Policy approved by Cabinet on the 15<sup>th</sup> October 2001 to review their debts regularly and propose for write-off any debts considered uncollectible as per the Scheme of Delegation. Under the scheme debt areas are required to propose any individual cases above £20,000 for Citizen Debts and £50,000 for Business Debts annually to the Mayor for approval. This report seeks approval of the proposed write offs attached in Appendix 1 for Former Tenant Arrears.

*This decision is subject to the call-in process as the decision was based on part exempt information. The call-in period will expire at 5pm on 11 December 2011.*

### **6. Pre-Procurement Approval for Refurbishment Work to create a new Library at Manor Park by converting Manor Park Local Service Centre and the adjacent Army and Navy Store**

The Mayor was asked to consider a report seeking approval to tender for works to create a new library in Manor Park, by combining the existing LSC and adjacent Army and Navy store. This work is part of the Customer Access buildings refurbishment and rationalisation programme and has dependencies with the corporate Property Strategy and Community Space Review. In addition, the provision of enhanced self-service to allow customers to 'help themselves' is part of the Mayor's Resilience Agenda.

The Mayor made it clear that an additional officer was not to be employed to move this process forward, and that Officers should

### **Decision**

The Mayor agreed:

1. the proposed procurement for the creation of a new library by converting the Manor Park Local Service Centre and former Army and Navy store site by seeking competitive tenders from the Council's approved list of works contractors as set out in this report, in order that the work can begin;
2. the procurement process as set out in this report in order that work to prepare the specification and undertake the tendering exercise can take place.
3. that a managed communications plan is developed, as well as all Members being fully engaged in consultation; and
4. the Mayors community hubs process is engaged going forward.

## **Reasons for Decision**

Approval is required in order to begin the procurement process to deliver the proposals to provide a new, enhanced library in Manor Park. The size of the existing building will not deliver fit for purpose library facilities and the adjacent Army and Navy store is needed to provide the additional space required.

The location of the LSC, on the cross-roads of Romford Road and High Street North, is preferred by Customer Services as a location for a library as the potential footfall in this area is deemed to be greater than that for the existing library. In addition, the proposal to use both the LSC and adjacent Army and Navy store will provide an open space for services to be located on one floor and in addition, provide easier management of the space for Customer Services' staff.

The improvements to the library serving Manor Park cannot be delivered without the increase in space and if this project does not progress, there will be a negative impact on the Customer Access buildings refurbishment and rationalisation plan, corporate Property Strategy and Community Space Review.

*The report and decision have complied with Part 4.5, paragraph 16 of the Constitution. The decision is not subject to the Call-In process and may be implemented immediately.*

## **7. Consultancy Services for Plashet Park Landscape Design and Heritage Lottery Fund application**

The Mayor was asked to consider a report seeking approval, in line with the Scheme of Delegations, to begin the process of procuring a contract for Landscape Design consultants to lead on the development of an agreed master plan for Plashet Park (developed to RIBA Stage D) and the production of associated documents including a Cost Plan and Conservation Management Plan. This work will directly support a Stage 2 application to the Heritage Lottery Fund in August 2012.

### **Decision**

The Mayor approved the procurement of landscape design and associated services in support of a Heritage Lottery Fund Stage 2 application for Plashet Park.

### **Reasons for the Decision**

Following a successful Stage 1 application to the HLF 'Parks for People' programme, grant funding of £65,700 has been awarded to progress a Stage 2 application for Plashet Park. The grant funding meets all of LBN's professional and project management costs for the Stage 2 application. It is a funder's requirement that consultancy support must be procured through a competitive tendering exercise.

If the Stage 2 application were successful the appointed consultants could be retained on this contract to develop construction drawings and manage the construction works on site. If the Stage 2 application was unsuccessful and the works do not take place, a break clause written into the contract would allow LBN to release the design consultants from service.

*The report and decision have complied with Part 4.5, paragraph 16 of the Constitution.  
The decision is not subject to the Call-In process and may be implemented immediately.*

**8. Items scheduled on the Forward Plan for this meeting that have not been submitted**

The Mayor noted:

1. the items originally scheduled for this meeting of Mayoral Proceedings but which were not submitted, together with the reason for the delay and the rescheduled date; and
2. those items listed on the Forward Plan scheduled to be considered at the next meeting of Mayoral Proceedings.

**9. Local Government Act 1972, as Amended by the Local Government (Access to Information) Act 1985 - Exclusion of Press and Public**

**Agreed to exclude the press and the public from the remainder of the meeting during consideration of the following exempt information:**

- Exempt Appendix 1 for Agenda Item 2.
- Exempt Appendix 1 and 2 for Agenda Item 3.

**10. Exempt Appendix 1 for Agenda Item 2**

**11. Exempt Appendix 1 and 2 for Agenda Item 3**

**12. Exempt Appendix 1 for Agenda Item 5**