

ITEM 12 – APPENDIX G

WAVERLEY BOROUGH COUNCIL EXECUTIVE – 7 JANUARY 2013

Title:

OCKFORD RIDGE PROJECT: APPROVAL TO COMMENCE OJEU PROCUREMENT PROCESS TO SELECT A BUILD CONTRACTOR AND TO APPOINT AN EMPLOYER'S AGENT TO MANAGE THE PROCESS

[Portfolio Holders: Cllr Keith Webster and Cllr Carole King]

[Wards Affected: Godalming Central and Ockford]

Note pursuant to Section 100B (5) of the Local Government Act 1972

An annexe to this report contains exempt information by virtue of which the public is likely to be excluded during the item to which the report relates, as specified in the specific Paragraphs of the revised Part 1 of Schedule 12A of the Local Government Act 1972, namely:-

1. Information relating to an individual; and
3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)

Summary and purpose:

The Council is proposing to redevelop parts of Ockford Ridge to provide new energy efficient homes to modern space standards and refurbish the remainder of the properties. As the value of the build contract for the refurbishment and redevelopment works will exceed £4.3 million, it will need to be procured through an OJEU process. As this process can take a minimum of six months, approval is required at an early stage to meet the expected timescale for the delivery of the project. Approval is also being sought to procure the services of an Employer's Agent to lead the procurement process.

How this report relates to the Council's Corporate Priorities:

This report relates to the Council's corporate priority of delivering affordable housing, understanding and responding to residents' needs and delivering value for money.

Financial Implications:

Funding for an Employer's Agent is available through the 2013-14 New Affordable Homes Reserve. Funding for the redevelopment and refurbishment works at Ockford Ridge Project is available through S106 funding, capital receipts and the New Affordable Homes and Stock Improvement Reserve.

Legal Implications:

The OJEU process has specific legal requirements which need to be followed in line with EU Procurement Regulations.

1. Background

- 1.1 Earlier this year, the Housing Delivery Team started to plan an investment programme for Ockford Ridge to enhance the estate for the benefit of existing residents and future generations. A series of consultation events have taken place to inform the development of a master plan and a planning application.
- 1.2 The planned works at Ockford Ridge include the redevelopment of a four small sites, creating at least 34 additional affordable homes, and also refurbishing 80 other properties. The cost of the proposed redevelopment and refurbishment works are anticipated to exceed £4.3m million, which will necessitate the Council tendering services and works via an OJEU procurement process. The procurement options available are:
 - to appoint one contractor to carry out the refurbishment works
 - to appoint a second contractor to carry out the redevelopment works, subject to planning approval being granted
 - to appoint a single contractor to carry out the redevelopment and refurbishment work, if this offers the best value for money and improved outcomes for residents
- 1.3 The first stage of this process is to prepare a pre qualification questionnaire in order to select a short list of contractors, who are interested in either of the options set out above.
- 1.4 The OJEU process can take up to six months to complete. Seeking approval to commence the process at this stage will enable a successful contractor to be appointed for the refurbishment work in time to start work by the end of 2014. Subject to planning permission, the same or a second contractor can be selected for the redevelopment work at the same time.

2. Employer's Agent

- 2.1 Given the complexity of the OJEU process and the scale of the project it is recommended that an Employer's Agent be appointed to administer this process. The cost of such an agent is estimated in (Exempt) Annexe 1 to this report and will be funded from the New Affordable Homes Reserve.

3. Conclusion

- 3.1 In order to proceed in a timely fashion with the Ockford Ridge redevelopment, approval is sought to start the OJEU process so that contractors can be approved by the Executive at an appropriate time in the project timetable later in 2014. The additional resource of an Employer's Agent will be necessary to administer the OJEU process.

Recommendation

That the Executive approves:

1. Work proceeding on the first stage of the OJEU process; and
2. The appointment of an Employer's Agent to manage the OJEU process on behalf of the Council, with the estimated costs as set out in the Exempt Annex 1 to be funded from S106, capital receipts and the New Affordable Homes Reserve as appropriate.

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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