

REPORT TO:	GENERAL PURPOSES AND AUDIT COMMITTEE 25 JUNE 2014
AGENDA ITEM:	13
SUBJECT:	London Road Public Realm Improvement Works – Exception to the Tenders & Contracts Regulations
LEAD OFFICER:	Jo Negrini Executive Director Development and Environment
CABINET MEMBER:	Councillor Toni Letts, Cabinet Member for Economic Development
WARDS:	Broad Green and Fairfield
<p>CORPORATE PRIORITY/POLICY CONTEXT: This project addresses the following corporate policy adopted in the Community Strategy 2010 – 2015 themes:</p> <ul style="list-style-type: none"> • A Sustainable City - a place that sets the pace amongst London boroughs on promoting environmental sustainability and where the natural environment forms the arteries and veins of the city 	
<p>FINANCIAL IMPACT SUMMARY: There are no particular financial considerations arising from this request for an exception to the Tenders and Contracts regulation report. Because authority is only sought to request a quotation (at no cost to the Council), financial and risk assessment considerations will be detailed in any future contract award report.</p>	
<p>KEY DECISION REFERENCE NO.: N/A</p>	

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<p>1. RECOMMENDATION</p> <p>1.1 Agree an exception under Reg.3 of the Tenders and Contracts Regulations to seek a single quotation from EM Highway Services Ltd under the terms of the Term Highway Maintenance Contract for all works associated with public realm improvements for London Road between West Croydon Station and Lidl.</p>
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2. EXECUTIVE SUMMARY

- 2.1. The Council has received funding from the Mayor of London to carry out public realm improvements to London Road as part of the Connected Croydon Capital Programme.

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2.2 For the reasons given in Section 4, this report seeks approval under Croydon's Tenders & Contracts Regulations (Regulation 3) to allow a single quotation to be sought from EM Highway Services Ltd for all works associated with the public realm improvement project for London Road between West Croydon Station and Lidl supermarket

2.3 The Council's Contracts and Commissioning Board (CCB) have endorsed the recommendation.

3. **DETAIL**

3.1 The London Road Public Realm Improvements project is part of the overall High Streets project and is a component of the Council's Connected Croydon Programme.

3.2 The London Road Public Realm Improvements project has the following objectives:

- Improve the perception of Croydon Town Centres high streets;
- Deliver targeted public realm improvements;
- Deliver targeted building improvements;
- Improve the pedestrian and cycle environment;
- Improve safety and security for businesses and other users;
- Strengthen and support diverse local businesses on the high streets;
- Connect peripheral high streets with regeneration plans in the centre.

3.3 Other than street lighting, the project delivery strategy is to split the scheme into three separate projects, each with its own route to market:

- a) London Road public realm between West Croydon Station and Lidl (to be on site August 2014);
- b) London Road public realm north of Lidl (to be on site not before April 2015);
- c) London Road building front improvements (to be on site August 2014).

This report considers only project a) above, the works for which will comprise:

- Removal of clutter including handrails rationalising and consolidating items including road signage;
- Repaving footways and new kerbs;
- Relocating parking bays;
- New Street trees and new street furniture; New signage including Legible London signs and way finding finger posts;
- Widened footway along selective sections;
- New informal pedestrian crossing point.

3.4 The current programme for street lighting replacement works effecting this area of Croydon will be brought forward to complement the design, to minimise disruption and ensure infrastructure is installed and coordinated.

4. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 4.1. The Council's Tenders & Contracts Regulations require any contract with an estimated value in excess of £100k to be tendered. However, in the case of the Council's Highways maintenance and Improvements contract with EM Highways Services Ltd, approval has been given as part of the original contract award in 2011 to allow for direct award with prior CCB approval of contracts up to a value of £500k on a Schedule of Rates basis. This is because that tender process had demonstrated that best value for money had been secured for standard highway works up to this value.
- 4.2. The most recently tendered highway improvement contract, £2m of public realm improvements in South End, resulted in very weak response from the market and only two tenders were received from the six invited. A benchmarking exercise carried out by quantity surveyors on behalf of the Council indicated that the lowest tender was unlikely to have bettered a quotation should the Council have been able to secure one from EM Highway Services Ltd under the Council's term highway maintenance contract. This advice was evidenced by comparing the schedule of rates contained within the term contract with the prices tendered against the South End activity schedule. A categorical assurance as to which would have been cheaper was not possible because the price of some key items of work are not included in the term contract. The type of works in London Road are comparable to those in South End. Seeking a quotation from EM Highway Services Ltd under the Council's term highway maintenance contract including some key items which are not part of their schedule, is considered by the Council's quantity surveyor and officers of the Capital Delivery Hub, Highways and Procurement to potentially offer the Council best value for money.
- 4.3 Obtaining a quotation in this way offers a minimum of an 8-week time saving when compared with select-list tendering and avoidance of the estimated £9k cost of tendering a contract of this type. Significantly, the accelerated procurement will enable works to commence in August 2014. In taking this approach, the works will commence before the third anniversary of the disturbances.

5. ANY OPTIONS CONSIDERED AND REJECTED

- 5.1. The reasons for considering competitive tender an inferior route to market are discussed in section 4.
- 5.2. The only term or framework contract currently open for the Council to use is the Council's own term highway maintenance contract with EM Highway Services Ltd. The costs and benefits of joining the TfL-run London Highways Alliance Contract are currently being assessed but any issues relating to its use in Croydon are unlikely to be resolved before September 2014.

6. FINANCIAL AND RISK ASSESSEMENT CONSIDERATIONS

- 6.1. Because authority is only sought to request a quotation (at no cost to the Council), there are no particular financial considerations arising from this request for an exception to the Tenders and Contracts regulation report. Financial and risk assessment considerations will be detailed in any future contract award report.

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

7. COMMENTS OF THE COUNCIL SOLICITOR

- 7.1 The Council Solicitor comments that approval of an exception under the Tenders and Contracts Regulations as detailed in this report is a non-executive function and the basis for the request as detailed in the body of the report meets the requirements of the Council's Tenders and Contracts Regulations and fulfils the Council's duty of Best Value, under the provisions of the Local Government Act 1999.

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

8. HUMAN RESOURCES IMPACT

- 8.1. There are no Human Resources considerations arising from this report

Approved by: Adrian Prescod, HR Business Partner on behalf of the interim Director of Human Resources, Chief Executive Department).

9. EQUALITIES ANALYSIS

- 9.1. High Street projects have a detailed Equality Impact Assessment (EQIA) the outcomes of which will, as appropriate, be addressed in the design and method of construction, this is a live document and will continue to be updated through the course of the project.

10. ENVIRONMENTAL IMPACT

- 10.1. The proposals for London Road Public Realm Improvement project have been carefully developed to ensure a positive environment and design impact.

- 10.2. 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.
- Enhanced biodiversity through additional planting.
- Minimization of carbon footprint in terms of new construction and on-going maintenance activities.

10.3. Specifically on the proposed contract

- The sustainable management of construction waste re-use of materials on site.
- Promote use of sustainable / recycled material.
- Reduction of waste generated and reuse of materials, conforming to good practice standards
- Planting will be low water demand to minimise irrigation costs.

11. CRIME AND DISORDER REDUCTION IMPACT

11.1. There are no immediate Crime and Disorder consequences of this proposal.

12. FREEDOM OF INFORMATION (FoI) / DATA PROTECTION CONSIDERATIONS

12.1. There are no specific Data Protection considerations arising from this report.

12.2. The Council's Procurement Strategy and Tenders & Contracts Regulations are accessible under the Freedom of Information Act 2000 as part of the Council's Publication Scheme. Information requested under that Act about the specific procurement exercise and contract which are the subject of this report, held internally or supplied by external organisations, will be accessible subject to legal advice as to its commercial confidentiality, or other applicable exemption, and whether or not it is in the public interest to do so.

13. CUSTOMER IMPACT

13.1. The impact of any eventual works will cause disruption to traffic flows within the immediate area and in turn could impact on the surrounding area.

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

- Traffic Management Plan will be published and in the public domain and the councils website in advanced of the works commencing;
- An effective communications plan will be implemented ensuring key stakeholders receive real time updates
- A logistics plan will be implemented and routinely monitored and update through the life of the project.
- A traffic logistics group will be set up to monitor and review weekly, representatives from Highways, Parking and TfL will sit on this group.

14. HUMAN RIGHTS IMPACT

14.1. There is no particular Human Rights Impact arising from this report.

15. CONSULTATION

15.1. Various stakeholder groups have been consulted as part of the London Road Public Realm Improvement project, specifically:

- Elected Members
- GLA and TfL
- Broad Green Business Forum
- Public exhibition held in November 2013
- London Road Community Group (WCCF) - Nov 13
- Old Town Community Group - Nov 13
- Croydon Old Town Business Association – Nov 13
- Portas Town Team – Nov 13

CONTACT OFFICER:

Paul Forrester
Senior Project Manager
Ext 60041

BACKGROUND PAPERS:

None