

Report for: Cabinet 12th November 2019

Title: Award of Contract for Ferry Lane Public Realm Scheme

Report authorised by : Dan Hawthorn, Director of Housing, Regeneration & Planning.

Lead Officer: Tracey McGovern, Project Manager, Environment and Neighbourhoods.

Ward(s) affected: Tottenham Hale

**Report for Key/
Non Key Decision:** Key Decision

1. Describe the issue under consideration

- 1.1. This report seeks approval for the award by Cabinet of the Ferry Lane Public Realm Scheme contract, following a competitive tendering exercise, to **Bidder 1** for a total value of **£913,115.61** as permitted under CSO 9.07.01(d).
- 1.2. The construction sum to the winning bidder does not include scheme risk and contingency budget. A contingency and risk budget has been set aside and is fully funded, details of which are included within the (exempt) Part B of this report.

2. Cabinet Member Introduction

- 2.1. Ferry Lane is a strategic route providing a gateway into the borough and the emerging Tottenham Hale District Centre. The Green Grid is a key part of our vision for Tottenham Hale and the Tottenham Hale Green and Open Spaces Strategy (GOSS) provides the framework for improvements to those routes between the green and open spaces in the area, and will extend and connect these spaces from the Lea Valley through to the High Road.
- 2.2. The vision for the Ferry Lane Public Realm Scheme is to transform this strategic route into an exemplar project where pedestrian and cycle access is a priority.
- 2.3. The recommendations within this report for the appointment of the preferred bidder to deliver the Ferry Lane Public Realm scheme ensures that those improvements arising from the scheme are delivered for the benefit of local residents.

3. Recommendations

3.1. It is recommended that the Cabinet :

- Approves the award of the contract for the Ferry Lane Public Realm Scheme to **Bidder 1** identified in the exempt report in the sum of £913,115.61 as permitted under CSO 9.07.01(d).
- Authorises the issue of a Letter of Intent (LOI) for the amount of £91,311, being 10% of the contract price.

4. Reasons for decision

4.1. The appointment of the preferred bidder will enable the Council to deliver significant highway and public realm improvements for residents in accordance with the Council's Green and Open Spaces Strategy for Tottenham Hale.

4.2. Officers have undertaken a **tendering exercise** to secure a contractor to deliver the Ferry Lane Public Realm scheme. Through this process, **Bidder 1** have demonstrated that they should be awarded the contract.

4.3. In awarding the contract to **Bidder 1**, the Council is securing delivery of the Ferry Lane Public Realm Scheme.

4.4. The scheme will deliver Sustainable Urban Drainage (SUDs), introduction of segregated cycle lanes, improved surfacing, street lighting and minimise maintenance costs in the long term. There is community support for the project as established through the consultation process.

5. Alternative options considered

5.1. Option 1: Do nothing

Pursuing this option would fail to address the lack of a clear link between Tottenham Hale, The Paddock and The Walthamstow Wetland Centre. It would also fail to resolve the safety concerns around cyclists using the main carriageway with minimal protection. Option not recommended.

5.2. Option 2 Direct Award to Term Maintenance Contractor

This option was discounted since the current term Contract expired in October 2019 and it was considered more cost effective to test the market by undertaking a competitive procurement process to secure the most economically advantageous tender to the Council.

5.3. Option 3 In-house delivery

This option was discounted as the Council currently do not have the requisite in-house resource and expertise to construct the Scheme.

6. Background information

6.1. The Green and Open Spaces Strategy (GOSS) and suite of priority projects that includes Ferry Lane Public Realm Scheme were approved by Cabinet in February 2016. A RIBA stage 2 concept design for Ferry Lane was completed in October, 2016 led by Kinnear Landscape architects as part of the GOSS suite of projects to come forward. In January, 2017, Project Centre were appointed to oversee the delivery of the Scheme from RIBA stage 2 to completion. In July, 2019, the Highways team were commissioned by the Regeneration Service to project manage the delivery of the project; this included the tendering and appointment of the main contractor for the works.

6.2. Currently Ferry Lane / Forest Rd is not a comfortable environment for pedestrians or cyclists, with footpaths and cycle routes directly adjacent to a busy roadway. The cycle routes at present are provided on the carriageway and do not afford any protection from vehicles for cyclists. Footways along the route are in need of upgrading. Ferry Lane sits within a high risk flood zone where no Sustainable Urban Drainage features are provided at present to alleviate and attenuate rainfall discharge back into the drainage system. Views into the Paddock and across the reservoirs of the Lee valley are restricted due to enclosures formed by palisade fences and vegetation that block sightlines and add to a feeling of discomfort when walking along the route next to busy road. The Walthamstow Wetlands Centre opened in the summer of 2017 and is attracting a high volume of visitors to the Wetlands centre from outside Tottenham and from across the Country. Ferry Lane is the principle gateway access from Tottenham Hale to the Walthamstow Wetland Centre and at present, there is lack of a co-ordinated wayfinding strategy to aid visitors on the route to the Wetland Centre and equally to highlight other points of interest within Tottenham for visiting and supporting the local economy.

6.3. Key objectives of the scheme are:

- Making the Lea Valley visible, by providing a visual and environmental connection and introducing key aspects of the Paddock and the Wetlands environment onto this key route
- **Linking the two growth areas** and acting as an important gateway to each
- **Deliver a modal shift** in priority from motorised vehicles in favour of pedestrians and cyclists, by providing a safe, attractive and legible route
- **Greening the grey** – bringing the Lee Valley Park into the urban environment by providing an exemplar and sustainable drainage scheme, using a sustainable approach in dealing with surface water while creating a rich and

distinct habitat for wildlife which represents the habitats in the Lea Valley and Wetland

- Providing a step **change in the quality of lighting** to one which is both safe, attractive, and also ecologically sensitive

6.4. The **scope of the proposals** include:

- New trees and soft planting along Paddock frontage and Bream Close junction
- Two-way segregated cycle lane along Ferry Lane
- Footway repaving and road resurfacing
- Installation of improved drainage system which reduces the risk of flooding
- Removal of existing 'Razor Light' lighting column on Tottenham Lock Bridge
- New LED energy efficient street lighting, with lamp-shades designed to be ecologically sensitive and reduce light pollution
- De-clutter the road by removing unnecessary street signage and furniture
- Removal of west-bound bus lane and narrow the carriageway to re-allocate space for enhanced pedestrian and cycle lane
- Relocating existing zebra crossing to improve the pedestrian flow

Funding

6.5. The project is fully funded through the Council Capital funding, Section 106 and Section 278 contributions.

Adjacent work

6.6. The Ferry Lane Public Realm Scheme feeds into the the Construction Logistics Plan (CLP). The CLP aims to co-ordinate, reduce and mitigate the impact of Construction vehicular movements within Tottenham Hale whilst the Tottenham Hale District Centre development sites are built out in the short to medium term. Deliveries to/from Ferry Lane have been restricted in line with the CLP to avoid potential logistic issues with adjacent works.

Consultation

6.7. The statutory consultation for the scheme proposal was commenced on 9 November 2017 and closed on the 1st December, 2017. During the consultation period, feedback cards were delivered to residents in the area and an informal drop-in session, to enable residents to discuss the proposals, was held at 'The Engine Room', Eagle Heights, Hale Village N17 on Wednesday 23 November 2017.

6.8. Twenty responses were received to the consultation. This number represents approximately 6% of the population in the area proposed for the public realm improvements.

6.9. The current scheme is supported by a majority of respondents with 70% (of the 20 respondents) in support of the scheme.

Procurement Process

- 6.10. A competitive mini competition tendering exercise, led by the Council's Strategic Procurement team, was undertaken. Five suppliers from the London Construction Programme (LCP) Major Works 2019 Framework, Lot 5-Highways and Public Realm, were invited to participate in the procurement.
- 6.11. An invitation to tender was issued to all five suppliers, on 24th July 2019, within Lot 5 Highways and Public Realm of the LCP Major Work 2019 Framework. Two of the five suppliers declined to tender and by the set deadline date of 28th August 2019, only one out of the remaining three suppliers had submitted a tender. The Tender was evaluated on the basis of 40% quality and 60% price criteria.
- 6.12. The tender, was checked for completeness and compliance. Following that, a panel of evaluators, made up of four Council officers, conducted the quality evaluation exercise in accordance with the criteria set out in the Invitation to Tender (ITT) document. This was followed by a moderation meeting led by Strategic Procurement to agree on consensus scores.
- 6.13. A parallel commercial/pricing evaluation was undertaken independently, led by Stace LLP the appointed Quantity Surveyor (QS) and Cost Consultant for the project.
- 6.14. Following the two evaluations, the combined score (price and quality) were added to provide an overall total weighted score for the Tender. Table 1.0 below provides a breakdown of the scores.

Table 1.0: Ferry Lane Tender Summary of Scoring

Tenderer	Quality % Score	Price %Score	Total Score
Bidder 1:	30.4	60	90.4

- 6.15. Stace Consultants prepared a Pre-Tender Estimate (PTE) for the works. As tabulated below the PTE represents a tender in second place out of two.

Table 2.0: Ferry Lane Tender Summary of Pricing

Tenderer	Tender Sum (£)	Contract Period (weeks)
Bidder 1	913,115.61	32
Pre-tender estimate	1,130,909.88	32

- 6.16. Despite undertaking a mini competition procurement under the LCP MW19 Major Works Framework, only a single submission was returned. The Council is not obliged to accept or reject a single bid, however, following Strategic Procurement's

(SP's) guidance the evaluation and moderation of the single tender was undertaken with the understanding that value for money should be taken into consideration prior to deciding whether to award the contract.

- 6.17. Absence of competition from alternative suppliers, makes demonstration of value for money difficult, however, SP instructed the Project QS, Stace LLP, to provide recommendations of value for money based on the PTE, bid OHP (Overheads and Profit) figures and any available benchmark information.
- 6.18. The tender received was circa 19% below the Stace LLP PTE value which relates to a difference of £217,794. Further post-tender clarification with the contractor confirmed preliminarily sums were included in the Tender sum and there were no pricing emissions or unaccounted pricing errors detected. Stace LLP, felt that the 17.5% included for OHP might be relatively high compared to an OHP of 12.5% of a relatively similar scheme, however, Stace concluded that the Bid offered value for money despite being the only submission.
- 6.19. The £217,794 difference between Bidder 1 tender sum and the PTE represents 19.26%. The Council's Procurement Code and Contract Standing Orders (CSOs) provide guidelines regarding pricing submissions which are considered abnormally low. Section 11 Abnormally Low Bids of the CSO states:

11.1 The Council must consider low value bids and evaluate whether they are abnormally low. Bids are considered abnormally low in comparison with other bids or the Council's own cost estimate, typically this would relate to bids in excess of 20% lower than the Council's estimate or other bids

It is noted that the difference between the PTE and Bidder 1 tender sum is 19.26% and within the 20% threshold.

- 6.20. The Bidder 1 tender sum is the most favourable according to the quality/price scoring criteria and is below the PTE indicating good value for money.
- 6.21. The Council is aiming to commence the implementation of these works in March 2020 and complete the works by December 2020.

7. Contribution to strategic outcomes

7.1. This project will contribute to Priority 3 of the Borough Plan 2019-2023. Priority 3 aims to secure a place with strong, resilient & connected communities where people can lead active and healthy lives in an environment that is safe, clean and green.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance

8.1. In line with the current capital programme plan there is a £1m capital budget earmarked within capital scheme 401 – Tottenham Lane Green Spaces, toward the Ferry Lane project.

8.2. On the assumption that this project is to commence in March 2020, it is likely that most of the spend will occur in 2020/21, thereby creating in-year underspend, which will need to be carried forward as a commitment into 2020/21 capital programme as part of this financial year's closedown.

8.3. Strategic Procurement

8.3.1. Strategic Procurement (SP) confirms that the project was procured by undertaking a mini competition using the LCP MW19 Framework, Lot 5 – Highways & Public Realm in line with CSO 9.01.

8.3.2. SP notes that a single compliant Bid was submitted within the ITT deadline. SP also notes, the appointed Project QS, Stace LLP, undertook an independent pricing evaluation of the Bid, and confirmed that both the Pricing and quality elements of the Bid offered value for money.

8.3.3. SP notes that the ITT submission were evaluated according to the selection criteria of a quality (40%) / price (60%) basis.

8.3.4. SP acknowledges that Bidder 1 achieved QDP of 30.40% and a Pricing score of 60.00%, making a total score of 90.30%

8.3.5. SP has no objections to appoint Bidder 1 to the amount of £913,115.61 excl VAT for a contract period of 32 weeks pursuant to CSO 9.07.1(e)

8.3.6. Furthermore, SP has no objections to to approve the issuance of a Letter of Intent (LOI) not exceeding 10% of the contract sum pursuant to CSO 9.07.3

8.4. **Legal – Corporate Legal Services**

- 8.4.1. The Assistant Director of Corporate Governance notes the content of this report.
- 8.4.2. The report is recommending the award of a public realm scheme contract. CSO 7.01(b) allows the Council to award a contract where the contractor was selected from a Framework which has been established in accordance with the Public Contract Regulations 2015.
- 8.4.3. This is a key decision and the Service have confirmed this on the Forward Plan in accordance with CSO 9.07.1 (e).
- 8.4.4. Pursuant to the CSO 9.07.1(d), Cabinet must approve the award of a contract if the value of the contract is £500,000 or more as is the case with the contract for award in this report.
- 8.4.5. Pursuant to CSO 9.07.3, approval may be granted for the issuance of a letter of intent for a sum not exceeding £100,000 or 10% of the total contract price pending the execution of a formal contract if it is in the best interest of the Council to do so. Although under CSOs the approval may be done by a Director, Cabinet also has power to approve the issuance of a letter of intent.
- 8.4.6. The Assistant Director of Corporate Governance sees no legal reasons preventing Cabinet from approving the recommendations in the report.

8.5. **Equality**

- 8.5.1. The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
 - Advance equality of opportunity between people who share those protected characteristics and people who do not
 - Foster good relations between people who share those characteristics and people who do not.
- 8.5.2. The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

8.5.3. The decision is to approve the award of a contract to undertake the Ferry Lane Public Realm Scheme. It follows the decision by Cabinet in February 2016 to approve the Tottenham Hale Delivery: District Centre Framework. This decision was subject to an Equalities Impact Assessment, which can be accessed [here](#).

8.5.4. Those most affected by the decision include residents of Tottenham Hale ward. Relative to Haringey as a whole, the population of Tottenham Hale includes:

- More residents aged 0-19 and 20-44
- Fewer White British residents and significantly more residents from Black/African/Caribbean/Black British communities
- More Christian and Jewish residents
- More residents with a limiting long-term health condition or disability

The main likely impacts of the decision, drawing on the scope noted in para.8.1 are:

- Improved access to green and open space
- Improved walking and cycling infrastructure through footway repaving, a segregated cycle lane, and re-allocation of carriageway
- Improved visibility through street lighting measures

8.5.5. It is likely that the decision will result in positive physical health impacts for the population of Tottenham Hale due to improvements in air quality and measures to increase physical activity. It is also likely that the decision will have a positive impact with regard to community safety due to improvements in the public realm that address factors that may increase opportunistic criminal activity. These measures go some way to addressing known inequalities. It is notable that Tottenham Hale has significantly higher levels of air pollution than the Haringey average, that the population of Tottenham Hale has lower healthy life expectancy than the Haringey average, and that Tottenham Hale has a higher rate of crime than the Haringey average.

8.5.6. In order to fully realise potential positive impacts for groups with protected characteristics, the delivery of the regeneration scheme will need to have regard for existing inequalities in the ways groups with protected characteristics experience and use public space and the different needs of these groups. In particular, the design and delivery of the scheme will need to have due regard for the different access needs of individuals with disabilities and pregnant women.

8.5.7. As a body carrying out a public function on behalf of a public authority, the contractor will be required to have due regard for the need to achieve the three aims of the Public Sector Equality Duty, noted above. Arrangements will be in place to monitor the performance of the contractor and ensure that any reasonably possible measures are taken to address any issues that may occur that may have a

disproportionate negative impact on any groups who share the protected characteristics.

9. Use of Appendices

9.1. None

10. Local Government (Access to Information) Act 1985

- 10.1. Minutes from Cabinet Meeting on Tuesday 16th February 2016 can be found here:
<http://www.minutes.haringey.gov.uk/documents/s83531/160125%20Cabinet%20Report%20Tottenham%20Hale%20Delivery%20FINAL.pdf> detailing the decision referenced in paragraph 6.1 of this report.
- 10.2. This report contains exempt and non-exempt information. The exempt information is not publication as it contains information classified as exempt under the following categories (identified in the amended Schedule 12A of the Local Government Act 1972):
- (3) Information relating to the financial or business affairs of any particular person (including the authority holding that information).