

Report Title: **Haringey Heartlands Spine Road (Part A): Award of contract for the Decontamination of land within the National Grid Property Holdings Limited (“National Grid”) Land**

Forward Plan reference number (if applicable): 1

Report of: **Head of Highways**

Ward(s) affected: **Noel Park**

Report for: **Key Decision**

### **1. Purpose**

- 1.1 To seek the Procurement Committee’s approval to enter into a contract with National Grid to carry out the remediation works to the area shown on the plan attached to appendix 2 (Part B) using National Grid nominated specialist term sub-contractor.
- 1.2 To seek the Procurement Committee’s agreement to award the contract for the de-contamination works along the length of the land area affected by the planned construction of the proposed Haringey Heartlands Spine Road within the former gas works site as detailed in Appendix 2 in Part B.

### **2. Introduction by Executive Member**

- 2.1 The Haringey Heartlands Development Framework identified as an objective the development of a north-south link route designed to support the regeneration of the area. Approval for the route (Spine Road) was given by the Council’s Planning Application sub-committee on 22<sup>nd</sup> January 2007.
- 2.2 In approving the planning application for the road, the development sub-committee recommended that the existing ground underneath the road structure should be de-contaminated prior to the construction of the proposed Haringey Heartlands Spine Road.
- 2.3 This Report details the remediation works to be carried out as part of this de-contamination process and I believe the recommended contractor’s estimate represents value for money and that recommended contractor will deliver a high quality service.

### **3. Recommendations**

That Members agree :

3.1 To waive Contract Standing Order 6.04; and

3.2 That the Council enter into a contract with National Grid for carrying out the De-contamination works as set out in this report to the area ("the National Grid Land") shown on the plan attached to Appendix 2 using the National Grid nominated specialist term sub-contractor mentioned in Part B;  
and

3.3 That the contract be entered into for the cost estimates detailed in Appendix 1 of Part B but if the final cost is over and above such estimates, that the Director of Urban Environment approves the final costs when determined but prior to the contract being entered into.

Report Authorised by: Niall Bolger , Director of Urban Environment.

Contact Officer: Harvi Mudhar, Team Leader (0208 489 5135)

### **4. Executive Summary**

4.1 On 14 January 2006 the Council was awarded Community Infrastructure Fund from the Department of Transport for the construction of the proposed Haringey Heartland Spine Road. On 29 September 2006 the Council entered into a Section 38 Agreement with National Grid, for de-contamination, construction and eventual adoption of the road.

4.2 Due to the nature of the works required within the existing redundant National Grid land, officers agreed a joint process with National Grid (who is the land owner) under an agreement to carry out the soil investigation and produce the de-contamination strategy using their nominated specialist consultant (Celtic).

4.3 This process was carried out under a special agreement between February 2007 and April 2007 approved under the delegated authority of the Director dated 31 January 2007.

4.4 The strategy has now been verbally approved by the Environment Agency and the estimated costs details are shown in Appendix 1.

### **5 Reasons for any change in policy or for new policy development (if applicable)**

5.1 N/A

## **6 Local Government (Access to Information) Act 1985**

### **6.1 List of background documents:**

Spine Road – Planning Application Committee Report dated 22<sup>nd</sup> January 2007  
Contract Files - Spine Road

6.2 This report contains exempt and non-exempt information. Exempt information is contained in Part B and is not for publication. The exempt information is under the following category (identified in the amended Schedule 12A of the Local Government Act 1972.

6.3 Information relating to Financial or Business affairs of any particular person (including the authority holding that information).

6.4 See Part B for exempt information.

## **7 Background**

7.1 The Construction of a new road linking Western Road with Clarendon Road is proposed to pass through the old dis-used Gas Works site. The land has been identified as being contaminated.

7.2 Approval at present has been given for the construction of the new road, and will be followed in the future with the development of the whole site. It is therefore not intended to undertake remedial works across the entire site, only that area affected by the planned road construction works.

7.3 Ground conditions at the site are made ground overlying competent London Clay. The made ground is generally on a thickness less than 1.0 m, although where there are remnants of structures associated with the former gasworks the thickness of made ground has been noted as greater than 4.5 m. Perched waters have been identified at the site, both within former gasworks structures and perched on top of the London Clay, which is acting as an effective aquitard. Groundwater is therefore not of concern at this site due to its isolation beneath a considerable thickness (>29 m) of London Clay.

7.4 Moselle Brook is culverted beneath the site, and discharges to Pymmes Brook approximately 4 km west of the site. These surface water courses are of potential concern, and therefore Moselle Brook must be adequately protected during works to ensure that release of contaminants to Moselle Brook does not occur during works.

7.5 The following constraints to road construction have been identified:

- Foundations of former gasworks buildings
- Redundant mains associated with former gasworks
- Former below ground structures such as tar tanks and gasholders
- Existing services
- Moselle Brook culvert
- Contaminant sources

7.6 With the above in mind, the anticipated area for improvement incorporates the 18 m wide footprint of the road, as well as any below ground structures that are present (wholly or in part) beneath the proposed road. The area for improvement is illustrated in appendix 2.

7.7 A number of operational gas mains are located within the road footprint. We are currently developing plans with National Grid Gas to protect these pipes during the works and throughout the lifetime of the road use.

## **8 Budget**

8.1 The redevelopment and the regeneration of Haringey Heartlands is being supported by funding from the Government of the European Union. Specific Government grant funding for the new Spine Road of £5m from the Communities Infrastructure Fund through the Department for Transport was obtained on 14 July 2006 and the project has to be completed by 31 March 2008. The current budget for the de-contamination works has been set at £720k, with an additional £50k set aside for developing the strategy. A sum of £600k has been set aside for the Mains Protection. The estimated details of these costs are set out in appendix 1. The final costs will not be known until the Environment Agency has given its formal approval to the remediation works.

8.2 The total costs for the remediation and the mains protection of £1.370m are within the estimates and as provision exists within the project costs, can be met wholly from the project costs budget.

## **9 Description of Procurement Process**

9.1 The De-Contamination works needed to the National Grid Land are of a very specialist nature. A Strategy and proposals for remediation have to be developed and have to be approved by the Environment Agency before any works can be executed.

9.2 Whilst the soil investigations were taking place to ascertain the level and type of contamination to the soil, it became evident that there were a large number of live and redundant gas mains within the site, some of which needed capping, and some that have to be protected by some form of concrete cover from the new road construction.

- 9.3 It was established in detail discussions that the best option of carrying this work with the least risk to the Council was to use the national Grid's term specialist contractor, so that in the event of an accidental puncture of one of these mains, it would be the responsibility of National Grid to repair the leaks, at no additional cost to the Council.
- 9.4 As these contractors have been selected by National Grid on the basis of value for money competitive rates, it is anticipated that the Council will be achieving a cost effective solution by employing the specialist term contractors.
- 9.5 As a result, approval is requested to waive Contract Standing Order 6.04 (requirement to tender) as allowed under CSO 7.02 and in accordance with waiver requirements noted under CSO 7.03.
- 9.6 The recommendation to carry out the de-contamination works by the National Grid's term contractor is in the best interest of the Council.

## **10 Consultation**

- 10.1 Full consultation has taken place with Environment Agency, and Thames Water. Formal written approval from Environment Agency is awaited, although verbal approval was given at the meeting held.
- 10.2 Consultations and agreements have also been reached with the Council's Environmental Health officers.
- 10.3 As part of the Planning Approval condition for the road, approval has also been obtained from the Development Control officers.

## **11 Key Benefits and Risks**

- 11.1 Once the road is constructed on the National Grid Land it will be adopted pursuant to the Section 38 Agreement and will be used by cyclists, pedestrian and motorists. Under the current environmental health legislation, the land has to be fit for use for all users. De-contaminating the land under the road corridor will provide a safe environment for the Council.
- 11.2 The cost of de-contamination works will have to be carefully monitored to ensure they do not exceed the agreed budgets.

## **12 Contract and Performance Management**

- 12.1 The Council will enter into an agreement with National Grid Holding Ltd to appoint the specialist term contractors set out in Part B of Appendix 1 to perform the remediation services in connection with and pursuant to the term Deed entered by the National Grid with the contractors.

## **13 Summary and Conclusions**

- 13.1 The terms and expressions defined in the agreement with the contractor appointment provide the best course of action for the Council to follow.
- 13.2 The Contractor will be expected to provide full warranties to the Council that they will exercise all the reasonable skill, care and diligence in the agreement for the performance of the remediation services.
- 13.3 The Council accepts the recommendations of the officers to appoint the National Grid's term contractor to carry out the remediation works as detailed in the strategy above and at the costs shown in appendix 1.

## **14 Recommendations**

- 14.1 That the Procurement Committee agree to enter into the contract with National Grid carrying out the De-Contamination of the National Grid Land underneath the proposed Spine Road, such de-contamination to be carried out by its nominated specialist term sub-contractor named in Part B Appendix 1 in the sums estimated in Part B Appendix 1 but subject to the Director of Urban Environment approving the final costs prior to the contract being entered into.

## **15 Equal Opportunities Implications**

- 15.1 The Council's 'Equal Opportunities' policies have been embedded into the specification for the works.
- 15.2 The response to the pre-qualification questionnaires regarding the company's equalities policies were evaluated by National Grid as part of their tendering process and the companies invited to Tender met the Council's criteria for Equality.

## **16 Health and Safety Implications**

- 16.1 The Council's 'Health and Safety' policies have been embedded into the specification for the works.
- 16.2 The response to the pre – qualification questionnaires regarding the companies' Health & Safety policies were evaluated by National Grid as part of their tendering process and the companies invited to Tender met the Council's criteria for Health & Safety.

## **17 Sustainability Implications**

- 17.1 The Council's 'Sustainability Implications' policies have been embedded into the specification for the works.
- 17.2 The response to the pre-qualification questionnaires regarding the companies' sustainability policies were evaluated by National Grid as part of their tendering process and the companies invited to Tender met the Council's criteria for sustainability.

## **18 Financial Implications**

- 18.1 Funding for the Scheme of £5m has been approved by Department of Transport with a provision that the scheme has to be completed by the end of March 2008.

## **19 Comments of the Director of Finance**

- 19.1 The Council was successful in obtaining grant funding of £5m from the DoT for the construction of a new spine road and associated works within the Haringey Heartlands regeneration area. The funding is awarded over the two years 2006/07 and 2007/08. Spend on the project for 2006/07 was £390k, leaving a budget of £4.610m available for 2007/08. This budget sum currently allows £1.370m for the estimated costs of the de-contamination and gas main protection works. Tight cost controls will have to be exercised to ensure that works are completed within the final cost figure as agreed by the Environment Agency.

## **20 Comments of the Head of Legal Services**

- 20.1 The Council has on 14 July 2006 entered into a Funding Agreement with the Department of Transport for the construction of the new spine road. The Department is providing £5m of Community Infrastructure Fund. The purpose of this fund is for the Council to provide a new north-south highway link through the Haringey Heartlands area with upgrades to existing highways and junction improvements for pedestrians and cyclists. The fund must be spent by 31 March 2008. The Council has an obligation under the Section 38 Agreement dated 29 September 2006 with National Grid to carry out the construction of the new road and the necessary remediation works to the soil under the new road.
- 20.2 The Public Contracts Regulations 2006 are not applicable as the estimated value of the contract is less than the current threshold of the sum of £3,611,474.
- 20.3 The Contract Standing Orders may be waived, the grounds for waiver are set out in CSO 7.3.

- 20.4 Because of the value of the contact, waiver must be approved by the Executive.
- 20.5 The report is also seeking members approval to delegate the power to approve the final cost of the contract prior to the contract being entered to the Director of Urban Environment.
- 20.6 The procurement committee has the power under Section 15(7) of the Local Government Act 2000 to delegate any of its powers to officers.
- 20.7 The Acting Head of Legal Services confirms that provided the Executive Member is satisfied that the grounds of waiver have been met there are no legal reason preventing the Executive Member from approving the recommendation set out above.

## **21 Comments of the Head of Procurement**

- 21.1 These decontamination works are essential to the Spine Road construction project itself and must be carried out in advance of the works themselves.
- 21.2 Appointing the term contractor of the National Grid has two clear benefits. Firstly, this contractor is more likely to be familiar with the type and nature of the decontamination work required (due to their close working with National Grid). Secondly, as is pointed out in the report earlier, the risk is then transferred from the Council to the National Grid contractor.
- 21.3 In transferring the risk, however, it is essential that the Council has robust contract management processes in place to ensure that the Council's own timetable is adhered to.
- 21.4 The Construction Procurement Group have been involved in all aspects of the Spine Road procurement, and is satisfied that this is a sensible approach to adopt.
- 21.5 The Head of procurement therefore supports the recommendation made at paragraph 14 of this report.

## **22 Use of Appendices / Tables / Photographs**

- 22.1 Part B of this report contains exempt information.
- 22.2 Appendix 1 - Costing Summary
- 22.3 Appendix 2 – Remediation Strategy