

Report for Cabinet, scheduled for 10th March 2020

Title: **Marsh Lane - Relocation of Services from Ashley Road Depot – construction contract award**

Report authorised by Stephen McDonnell, Director of Environment and Neighbourhood
Lead Officer Ian Kershaw, Com Safety, Enforcement and Waste Manager
Telephone 0208 489 1578 email: ian.kershaw@haringey.gov.uk

Ward affected Tottenham Hale

Report for Key/Non-Key Decision This is a Key Decision

1. Describe the issue under consideration

- 1.1 In 2014 Haringey Council's Cabinet made a decision to relocate its current waste management depot from Ashley Road, London N17 9AZ to 85 Marsh Lane, London, N17 0XB.
- 1.2 Marsh Lane site is 1.9-hectare industrial site which Haringey Council acquired in 2008.
- 1.3 This report seeks an approval to appoint Contractor A as the main contractor to develop Marsh Lane.

2. Cabinet Member Introduction

- 2.1 This report sets out an excellent opportunity to develop the Council owned brownfield site at Marsh Lane into a new purpose-built waste management depot.
- 2.2 The new scheme design proposal works within the Council's Zero Carbon Policy reducing the carbon footprint by introducing Photovoltaics, a bespoke battery storage system to best utilise the power provided from the Photovoltaics as well as public and operation electric vehicle charging points.
- 2.3 Most importantly the new scheme will enable delivery of a new residential development at Ashley Rd depot delivering much needed Council housing in line with regeneration plans and visions for Tottenham Hale.

3. Recommendations

For Cabinet:

- 3.1 To appoint Contractor A as a main contractor to develop Marsh Lane site as allowed under Council's Contract Standing Order (CSO) 7.01 b) (selecting one or more contractors from a Framework) and 9.07.1d (all contracts valued at £500k or more may only be awarded by Cabinet) to the contract sum as set out in Part B.
- 3.2 To authorise the Council's Legal Department to issue a Letter of Intent prior to the formal contract signature for 10% of the total contract amount as set out in Part B to allow work to start as soon as possible.
- 3.3 To vire the amount set out in Part B of this report from the approved capital programme contingency to the Marsh Lane project.
- 3.4 To approve the delegation of the Contingency budget stated in Part B of this report to the Director of Environment & Neighbourhoods after consultation with the Cabinet Member with the Cabinet Member for Neighbourhoods.

4. Reasons for decision

- 4.1 The decision is required in order to conclude the relocation of the services at Ashley Road depot as previously agreed and to release the Ashley Road site for housing development. Additional info is set out in Part B of the report.

5. Alternative options considered

- 5.1 An option not to proceed was considered but rejected on the grounds that the current depot configuration and operation (a split site solution with partial operation at Ashley Road and partial operation from Mash Lane) were only contemplated as being temporary. If the depot is not fully relocated the services being operated there will continue to be more expensive than being located together. Also, the current configuration will not be able to respond to the Climate Emergency due to the inability to reduce carbon emissions and install more environmentally friendly energy sources. In addition, the current configuration will not be able to address the emerging service delivery transformation agenda. Finally, there is a pressing need for the Ashley Rd site to be made available for much-needed housing development.
- 5.2 Other options discussed in Part B of the report.

6. Background information

- 6.1 On the 16th September 2014 Cabinet made a decision to dispose of part of the Ashley Road depot site to the Harris Federation. The decision to locate a school on what was previously known as Technopark and the status of Tottenham Hale as a regeneration growth area therefore promoted a feasibility study to test whether it was appropriate and cost effective to relocate the entire depot to another site. The disposal of part the Ashley Road site generated a capital receipt of £1.5m and a contribution to the costs of moving the depot of £1.4m.

- 6.2 The Marsh Lane brownfield site was identified as a suitable location for the relocation of the depot services. The relocation will bring a number of other benefits including making good use of the Marsh Lane asset by delivering a new depot. With the existing depot at Ashley Road not being specifically designed for its current use and generally dilapidated/time expired the new depot provides a new, purpose-built facility to enable bespoke service provisions for our stakeholders. Facilities such as modern vehicle pits, flexible vehicle working spaces, designated vehicle wash, as well as office spaces designed to accommodate the specific requirements as defined by the stakeholders.
- 6.3 The new depot also delivers the scheme working with design solutions to work within the Zero Carbon Policy. The new scheme reduced the carbon footprint by introducing Photovoltaics, a bespoke battery storage system to best utilise the power provided from the Photovoltaics as well as public and operation electric vehicle charging points.
- 6.4 The new depot also enables the redevelopment of the Ashley Road site in line with regeneration plans and the vision for Tottenham Hale and has already supported the plans for the Harris Academy school at Ashley Road with completion of the sale of the land and new build school accommodation. It was originally envisaged that the Ashley Road site would be disposed of. However, when Haringey's current administration was elected in May 2018, they committed to the development of a significant number of Council owned homes, including new homes. One of the key elements to achieving this priority was land and the Ashley Road site was identified as one of a number of Council-owned sites that would enter the Housing Delivery Programme. The programme was supported by a successful GLA Building Homes for Londoners funding bid. The Ashley Road site was named in the bid and allocated funding of £8,800,000. Although the Council has not carried out detailed design work, the initial feasibility assessment suggests that the Ashley Road site could support 200 or more new homes. There are priorities to provide family housing and as many new Council homes at Council rents as possible. Funding conditions require the development starts on site by mid-March 2022.
- 6.5 Further details will be reported to Cabinet of the proposed development and the timing of the appropriation. The site will be valued at this time based on market value. Further information regarding Ashley Rd site can be found in Part B of the report.
- 6.6 The Marsh Lane development project was commissioned in 2015, however the escalating costs of the project led to the review of the project brief and eventually downsizing of the proposed scope. The project was recommissioned in 2018.
- 6.7 To enable the sale of the part of Ashley Road site to Harris Academy (which Haringey were contractually obliged to complete) some of the waste management services (Salt Barn, bin storage and parking facilities) were relocated to Marsh Lane site in 2017.
- 6.8 The main scheme works have been designed to Stage 3 of the Royal Institute of British Architects (RIBA) Plan of Work 2013. The project consultancy team will not be novated and will remain client side for the duration of the project.

- 6.9 The project was tendered using a single stage Design and Build method of procurement via the recently established London Construction Programme 2019 Major Works Framework.
- 6.10 All six companies were invited from Lot 3.3 (Capital Works) of the London Construction Programme (LCP) 2019 Major Works Framework, to submit a proposal in response to an Invitation to Tender (ITT). Further info is set out in Part B of the report.
- 6.11 During the evaluation process, post tender clarifications were sought and fully responded to. The tender was based on a 60% quality and 40% price bid and contract period of 58 weeks (14 weeks design/mobilisation and 44 weeks construction).
- 6.12 A quality assessment was conducted by an evaluation panel, comprising the Project Delivery Team project managers and lead design consultant. A pre agreed list of questions relevant to this project was included in the tender as part of the Qualitative Delivery Proposals (QDP). Each question was offered a score between 0 (for question not answered) to 5 (excellent) together with a weighted score.
- 6.13 The outcome of the quality and price score for Contractor A is set out in the part B of the report.
- 6.14 Further procurement comments are set out in Part B of the report.
- 6.15 The recommendation is to award the contract to Contractor A in order to enable residential development on Ashley Rd site.
- 6.16 The project is to be awarded on a single stage Design and Build contract which has been priced as an 'all risk' tender. The defects liability period (rectification period) is 12 months. The contract is to be awarded on a fixed price basis. Further info is set out in Part B of the report.
- 6.17 The procurement approach is based on a Design and Build form of contract – JCT 2016. The project consultancy team will not be novated and will remain client side for the duration of the project.
- 6.18 The tender submission includes all construction costs, site establishment and management costs, contractors overhead and profit.
- 6.19 Budget information is set out in Part B of the report.

7. Contribution to Strategic Outcomes

- 7.1 This project proposal supports outcomes as outlined in the Borough Plan 2019-23, in particular:
- **Priority 1 Housing** – Although the Council has not yet carried out detailed design work, early work suggests that the Ashley Road depot site could support

200 or more new homes, with a particular priority on providing as many new Council homes at Council rents as possible’.

- a significant number of new homes on the site with at least 40% affordable and social housing.
- **Priority 2 People** – releasing a part of Ashley Rd site to Harris Academy enabled creation of the new sport hall and creation of the new school places.
- **Priority 3 Place** – by relocating waste management services from residential to industrial area the project supports two outcomes: “A healthier, active and greener place and a cleaner, accessible and attractive place”.
- In addition, by investing in sustainable energy solutions, bespoke energy storage facilities and electric vehicle charging points the project supports outcomes of **Haringey’s Climate Change Action Plan**.

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

8.1 Finance

8.1.1 The recommendation of this report is to accept the tender from Contractor A in the sum as set out in Part B. This has been evaluated by the procurement team and has been assessed as being compliant.

8.1.2 The Council has spent £4.085m on this project as at 31st March 2019 and is anticipated to spend an additional £0.458m during 2019/20. In accepting this tender and proceeding with the scheme, the Council will be incurring further costs. These costs are set out in Part B of the report.

8.2 Procurement

8.2.1 Strategic Procurement have been consulted and supported the project team throughout this procurement. This contract was procured using the OJEU compliant London Construction Programme (LCP) 2019 Major Works Framework, which the Council is able to access.

8.2.2 Further procurement info is set out in Part b of the report.

8.3 Legal

8.3.1 The Assistant Director of Corporate Governance has been consulted in the preparation of this report.

8.3.2 The contract which this report relates to has been procured through the London Construction Programme Major Works Framework 2019 (the “Framework”) which has been established by the Council. The Framework is OJEU compliant.

8.3.3 Due to value of the contract it may only be awarded by Cabinet.

8.3.4 The Assistant Director of Corporate Governance sees no legal reasons preventing Cabinet approving the recommendations in the report.

8.4 Equality

8.4.1 The Council has a public sector equality duty under the Equalities Act (2010) to have due regard 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.

The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status apply to the first part of the duty.

8.4.2 The proposed decision is to appoint a main contractor to develop the Marsh Lane site, which will release the Ashley Road site for housing development. The development of the Marsh Lane site is not expected to have any specific impacts on any groups that share the protected characteristics. The contractor, as a body carrying out a public function on behalf of the Council, will be required to have due regard for the three aims of the public sector equality duty, noted above.

8.4.3 Development of housing at the Ashley Road site will be subject to screening and assessment in order for decision-makers to understand any identified implications for groups who share the protected characteristics.

9 Use of Appendices

9.1 Appendix A – Part B

10 Local Government (Access to Information) Act 1995

10.1 List of background documents:

This report contains exempt and non-exempt information. Exempt information is under the following categories (identified in amended Schedule 12A of the Local Government

Act 1972): Information relating to financial or business affairs of any particular person (including the statutory holding that information).