

Agenda Item No:

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Report of : Asset Management and Regeneration
Report to : Chief Asset Management and Regeneration Officer
Date: 23rd July 2014
Subject: Contract Award, Sovereign Street Green Space

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s):	City & Hunslet	
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:	10.4 (3)	
Appendix number:	1	

Summary of main issues

1. Following Executive Board's authority to incur expenditure in November 2013, on the creation of new, high quality green space at Sovereign Street, technical design works for the scheme have continued. Tender drawings and documents have been prepared, issued and tender returns evaluated. This report seeks approval to the award of the Sovereign Square green space construction contract to Esh Construction Ltd.
2. The report advises that following a previous report approving the tender evaluation criteria from the Chief Asset Management and Regeneration Officer and the issue of tender documents using the YorCivils framework, three tenders were returned on the 19th June 2014.
3. In accordance with the Council's Contract Procedure Rules, the report requests the Chief Asset Management and Regeneration Officer, to approve the appointment of Esh Construction Ltd, following the outcome of a detailed tender evaluation.

Recommendation

4. The Chief Asset Management and Regeneration Officer is requested to approve the award of the Sovereign Square green space contract to Esh Construction Ltd.
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1 Purpose of this report

- 1.1 The purpose of this report to seek the Chief Asset Management and Regeneration Officer's approval to the award of the contract for the construction of new green space at Sovereign Square to Esh Construction Ltd.

2 Background information

- 2.1 The City Council's Executive Board gave approval to the revised planning statement in June 2011, which was adopted to allow new development proposals to come forward on the majority Council owned site. This was aimed at providing guidance on the consideration of new development proposals for the site, the potential to deliver new high quality green infrastructure in the city centre and identify individual development plot locations.
- 2.2 As a consequence of this guidance and the agreement to progress negotiations for the development of one of the plots for a new northern HQ building for KPMG, Executive Board in July 2012, approved the injection of capital into the Sovereign Street green space scheme, which would be funded by the first call on any capital receipts generated from the Sovereign Street development plots. Subsequently, in November 2012 detailed planning approval was granted for both the KPMG HQ building and the green space.
- 2.3 In November 2013, Executive Board gave authority to incur expenditure on the delivery of the first two phases (1&1a) of the new green space at Sovereign Square.

3 Main issues

- 3.1 In April this year, the Chief Asset Management and Regeneration Officer gave approval to the use of the YorBuild framework for the proposed tenders for Sovereign Square green space, a 60% vs 40% cost/quality split and the tender evaluation criteria as the basis of the tender assessment.
- 3.2 Tender documents were issued through the YorBuild framework on the 14th April 2014 and three tender returns were received on the 19th June 2014. Tenders were received from Esh Construction Ltd, AE Yates and North Midland Construction.
- 3.3 The quality evaluation of the tenders was carried out on the 30th June 2014 and the cost evaluation was completed on the 8th July 2014.
- 3.4 The outcome of the tender evaluation, using a 60% cost and 40% quality split for the assessment, gives the following positions:-
 1. Esh Construction Ltd
 2. North Midland Construction
 3. A.E. Yates Ltd
- 3.5 Based on Esh Construction Ltd being in first position following the full tender evaluation and also providing the lowest tender price, the outcome of the tender

assessment is therefore that Esh Construction Ltd should be awarded the contract for the construction of green space at Sovereign Square.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 In November 2013, Executive Board gave authority to incur expenditure on the delivery of the first two phases (1&1a) of the new green space at Sovereign Square
- 4.1.2 The Executive Member for Development and the Economy has been informed of the tender and the impending contract award to Esh Construction Ltd.
- 4.1.3 The Sovereign Square Project Board has been consulted on the outcome of the tender evaluation for the new green space at Sovereign Square supported the recommendation to appoint Esh Construction Ltd.
- 4.1.4 The Council's Procurement Unit has been consulted and, it advised that under Contract Procedure Rules Esh Construction Ltd should be awarded the contract for the construction of the green space at Sovereign Square.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 There is no expected impact on the protected equality characteristics and, therefore, it is not applicable for an EIA or screening form to be completed at this time.

4.3 Council Policies and City Priorities

- 4.3.1 The proposed improvement and refurbishment of Kirkgate Market is consistent with the Best Council Plan 2013 – 17 in terms of promoting sustainable and inclusive economic growth by maximising employment opportunities for local residents.

4.4 Resources and Value for Money

- 4.4.1 The Chief Asset Management and Regeneration Officer will be responsible for the award of the contract to the preferred contractor based on a 60% price and 40% quality split.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The appendix to this report is confidential under access to Information Rule 10.4(3) as it contains financially sensitive information which if disclosed would adversely affect the business of the Council and may also affect the business affairs of the other parties concerned.

4.6 Risk Management

- 4.6.1 There is a risk that regardless of the tendered price from Esh Construction the final price for the works will vary. Robust site and contract management will be required to ensure the scheme is delivered within budget, subject to unknown site factors.

5 Recommendation

- 5.1 The Chief Asset Management and Regeneration Officer is requested to approve the award of the contract for the construction of new green space at Sovereign Square to Esh Construction Ltd.

6 Background Papers¹

6.1 None.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.