

**REPORT TO:** Environmental  
Cabinet

**DATE:** 12<sup>th</sup> January 2011  
27<sup>th</sup> January 2011

**SUBJECT:** HIGHTOWN SEA DEFENCES – PHASE 2  
SELECTION OF PREFERRED CONTRACTOR

**WARDS AFFECTED:** HARINGTON, MANOR, BLUNDELLSANDS,  
CHURCH

**REPORT OF:** PETER MOORE - ENVIRONMENTAL AND  
TECHNICAL SERVICES DIRECTOR

**CONTACT OFFICER:** GRAHAM LYMBERY– PROJECT LEADER  
COASTAL DEFENCE  
TEL: 0151 934 2960  
MICHAEL WHIELDON (Capita Symonds) Ext  
4208

**EXEMPT/CONFIDENTIAL:** NO

**PURPOSE/SUMMARY:**

The proposed Hightown scheme, will deliver Coastal Defence and Environmental benefits to the area. A report to Cabinet of 17 December 2009 outlined the procurement strategy. This report provides an update.

**REASON WHY DECISION REQUIRED:**

Due to the nature of the scheme, early contractor involvement is required. This allows contractor involvement to assist and “buy in” to methods associated with environmental and ecology matters.

**RECOMMENDATION(S):**

1. To note progress in contractor selection
2. To confirm selection of preferred contractor.

**KEY DECISION:** No

**FORWARD PLAN:** N/A

**IMPLEMENTATION DATE:** Following the expiry of the "call-in" period for the Minutes of this meeting.

**ALTERNATIVE OPTIONS:**

None

**IMPLICATIONS:**

**Budget/Policy Framework:**

**Financial:** There are no direct financial implications arising from this report however a further report will be submitted so that Cabinet can approve the target cost for inclusion in the Capital Programme.

This phase of the Hightown Project will be fully funded from the Broseley's Section 106 contribution . The best cost estimate at this time is circa £700,000 but this is likely to increase due to various environmental constraints on the site. The total S106 contribution currently stands at approx . £1,572,000.

The projected expenditure of this sum is expected to be as follows :

Year estimate	Description	
2009 - 2010	Design & Tender stage (£70K approved by Cabinet 6/8/09, £49k spent to date)	£21k
2011	Capital Works - Construction/supervision (this report)	£700k
2012 – 2032	Annual maintenance (£6k per annum)	£120k
2033	Programmed Recharge	£441k
2034 – 2054	Annual maintenance	£120k
	Dune Management	£102k
	Balance	£68k
<b><u>TOTAL</u></b>		<b>£1572k</b>

	2010/11 £	2011/12 £	2012/13 £	Future £
<b>CAPITAL EXPENDITURE</b>				
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<b>REVENUE IMPLICATIONS</b>				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?				

**Legal:** Legal Services will need to ensure the necessary legal arrangements required to appoint the Contractor are put in place.

**Risk Assessment:**

**Asset Management:** N/A

**CONSULTATION UNDERTAKEN/VIEWS**

**FD 579 - THE FINANCE DIRECTOR HAS BEEN CONSULTED AND HIS COMMENTS HAVE BEEN INCORPORATED INTO THIS REPORT.**

**LD0008/10 - THE LEGAL DIRECTOR HAS BEEN CONSULTED AND HIS COMMENTS HAVE BEEN INCORPORATED INTO THE REPORT.**

**CORPORATE OBJECTIVE MONITORING:**

<b><u>Corporate Objective</u></b>		<b><u>Positive Impact</u></b>	<b><u>Neutral Impact</u></b>	<b><u>Negative Impact</u></b>
1	Creating a Learning Community		√	
2	Creating Safe Communities	√		
3	Jobs and Prosperity		√	
4	Improving Health and Well-Being		√	
5	Environmental Sustainability	√		
6	Creating Inclusive Communities		√	
7	Improving the Quality of Council Services and Strengthening local Democracy	√		
8	Children and Young People		√	

**LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT**

## **1.0 Background**

- 1.1 At its meeting of 6<sup>th</sup> of August Cabinet were presented with a report to update the Members in relation to the Crosby to Formby Coastal Strategy Study and the proposed works arising from the Study. It also provided an outline programme for the delivery of the proposed works and requested approval to take the Hightown project up to detailed design and tender stage. Cabinet agreed to include the funding up to detailed design stage in the Capital programme.
- 1.2 The project will be fully funded from the Broseley's Section 106 developer contribution. The current estimate for the construction works and associated supervision is circa £700,000.
- 1.3 A report to Cabinet dated 17th December 2009 outlined the detail of a procurement process involving early contractor involvement. In short this allows contractor involvement to assist and "buy in" to methods associated with environmental and ecology matters which are of great importance on this project taking into account the works are within 4 nature conservation sites.
- 1.4 Works are due to commence on site in mid 2011.

## **2.0 Procurement method and progress**

- 2.1 The selection of contractor was undertaken by evaluating a quality and cost submission. The tender comprised both a quality submission and a cost submission based on preliminary scheme information.
- 2.2 Once a preferred contractor has been chosen, the preferred contractor is invited to undertake further work including arranging for mini-tenders to appropriate subcontractors in order to determine the Target cost. Capita Symonds staff on behalf of the Council will monitor this process and this will allow a target cost (contract sum) to be agreed with the successful contractor which is within the funding available. The involvement of both contractor and Council representatives will ensure a realistic target cost is determined. This target cost will be reported to Cabinet at a future date and approval will be sought to enter into a contract with the preferred contractor for this sum.
- 2.3 The present position is that the preferred contractor has been selected, as below, and discussions concerning the formation of target cost have commenced.
- 2.4 Three companies were invited to tender:  
  
Birse Coastal, Tadcaster  
  
Jennings Building and Civil Engineering, Colwyn Bay.

Kier Construction, Northwich

2.5 Tenders were returned on 15<sup>th</sup> July 2010.

The final scores in descending order taking into account both the price and quality element were:

100

90.4

88.3

2.6 It is now proposed to continue those discussions with the preferred contractor to form the target cost, and confirm to him by letter that he is the preferred contractor.

2.7 Once a target cost has been determined, this target cost will be reported to Cabinet at a future date and approval will be sought to enter into a contract with the preferred contractor for this sum.

### **3.0 Summary**

3.1 A report to cabinet dated 17th December 2009 outlined the detail of a procurement process involving early contractor involvement to allow early contractor to assist with environmental and ecology matters.

3.2 The process included selection of a preferred contractor based on quality and a cost assessment.

3.3 Tenders have been returned and the highest scoring tenderer is now selected as the preferred contractor.

3.4 Discussions concerning the formation of a target cost (contract sum) have commenced with the preferred contractor. Once a target cost has been determined, this target cost will be reported to Cabinet at a future date and approval will be sought to enter into a contract with the preferred contractor for this sum.

### **4.0 Recommendations**

1. To note progress in contractor selection
2. To confirm selection of preferred contractor