
Report to: Cabinet

Date of Meeting: 23rd June 2011

Subject: Hightown Sea Defences Phase 2: Preferred Contractor

Report of: Director of Built Environment

Wards Affected: Ravenmeols, Manor, Blundellsands and Church

Is this a Key Decision? Yes **Is it included in the Forward Plan?** Yes

Exempt/Confidential No

Purpose/Summary

The proposed Hightown scheme, will deliver Coastal Defence and Environmental benefits to the area. A report to Cabinet of 17th December 2009 outlined the procurement strategy. The proposed scheme comprises of the removal of both windblown sand and areas of relic fixed dunes at Crosby and transporting them by large dump trucks along the connecting foreshore to Hightown. Here the sand will be used to reinstate the existing sand dunes and extend the toe seaward to its previous position. In addition new sea defences at the Blundellsands Sailing Club will be constructed with a sloped concrete revetment. Under the Coastal Protection Act 1949 the Authority has the powers to undertake the works.

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

The purpose of this report is to provide an update on the value of the proposed Target Cost and seek approval to enter into a contract.

Recommendation(s)

1. To give approval to enter into a contract with the preferred Contractor.
2. To approve the proposed target cost of no greater than £1.15m for inclusion in the Capital Programme.
3. To approve the release of the balance of the Section 106 funds for the future revenue costs of environmental and maintenance works following the capital scheme.

How does the decision contribute to the Council’s Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		✓	
2	Jobs and Prosperity	✓		
3	Environmental Sustainability	✓		
4	Health and Well-Being		✓	

5	Children and Young People	✓		
6	Creating Safe Communities		✓	
7	Creating Inclusive Communities	✓		
8	Improving the Quality of Council Services and Strengthening Local Democracy		✓	

Reasons for the Recommendation:

To progress the delivery of the proposed Hightown scheme, with a proposed start date for the sand extraction at Crosby after the end of the school summer holidays.

What will it cost and how will it be financed?

(A) Revenue Costs – There are ongoing revenue costs of between approximately £4,000 and £5,000 per annum associated with dune management and maintenance of the new structures. It is anticipated that for the foreseeable future these will be met from the balance of Section 106 funds remaining following completion of the scheme, as shown in the table below.

(B) Capital Costs - This phase of the Hightown Project will be fully funded from the Broseley's Section 106 contribution. The proposed Target Cost is currently being developed and will be confirmed prior to the Cabinet Meeting. The total S106 contribution currently stands at approximately £ 1,494,585. The projected expenditure of this sum is expected to be as follows:

Forecast costs:	CAPITAL £	REVENUE £	TOTAL £
Construction costs (including contingency)	1,228,000		1,228,000
Environmental enhancement costs	100,000		100,000
Future maintenance costs		162,500	162,500
Other (Planning & MMO fees)		4,000	4,000
	<u>1,328,000</u>	<u>166,500</u>	<u>1,494,500</u>
Phasing:			
2011/12	1,228,000	4,000	1,232,000
2012/13	50,000	20,000	70,000
2013/14	50,000	20,000	70,000
2014/15		4,200	4,200
2015/16		4,200	4,200
Future years		114,100	114,100
	<u>1,328,000</u>	<u>166,500</u>	<u>1,494,500</u>

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal - The Council has powers under the Coast protection Act 1949 to undertake the proposed works.		
Human Resources		
Equality		
1.	No Equality Implication	<input checked="" type="checkbox"/>
2.	Equality Implications identified and mitigated	<input type="checkbox"/>
3.	Equality Implication identified and risk remains	<input type="checkbox"/>

Impact on Service Delivery:

What consultations have taken place on the proposals and when?

Consultation with the Blundellsands Sailing Club is ongoing; the latest meeting was on the 27th May 2011.

Hightown Parish Council

Sefton MBC Crosby Area Committee

Sefton MBC Coast and Countryside Service; February 2011

Sefton MBC Planning Service; February 2011

Sefton MBC Environmental Protection Department; February 2011

The Environment Agency; February 2011

Natural England; February 2011

Lancashire Wildlife Trust; February 2011

Mersey Conservator; March 2011

Port of Liverpool; March 2011

The Head of Corporate Finance & ICT has been consulted and any comments have been incorporated into the report (FD851).

The Head of Corporate Legal Services has been consulted and any comments have been incorporated into the report (LD172/11).

Are there any other options available for consideration?

Undertake a tender exercise. This would be in contradiction of the strategy outlined in the Cabinet report dated 17th December 2009 and would result in the benefits of early contractor involvement, in terms of ecological matters, not being realised.

Implementation Date for the Decision

Following the expiry of the "call-in" period for the Minutes of the Cabinet Meeting

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Background Papers:

None

1.0 Background

- 1.1 At its meeting of 6th August 2009, 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.
- 1.2 Cabinet agreed to include the funding up to detailed design stage in the Capital programme. The project will be fully funded from the Broseley's Section 106 developer contribution.
- 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 Aug / September 2011. Due to the ecological sensitivity of the area there are significant restrictions on when the work can be carried out, consequently a delay in approval now could result in a delay in commencement of 12 months. The Council has powers under the Coast protection Act 1949 to undertake the proposed works.

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. Three companies were invited to tender; Birse, Jennings Building & Civil Engineering and Kier Construction. The selection process has complied with the Council's tendering and contract procedures.
- 2.2 Tenders were returned on 15th July 2010. The final scores in descending order taking into account both the price and quality element were:

Birse:	100
Kier:	90.4
Jennings:	88.3
- 2.3 The appointment of Birse as the preferred contractor was endorsed by Cabinet Member Environmental on 12th January 2011. Subsequently discussions have continued with Birse in order to form a Target Cost within the funding available. This process has included Birse arranging mini-tenders to appropriate subcontractors to determine a cost to undertake the works.
- 2.4 The present position is that the preferred contractor has been selected and a target cost is now reported to Cabinet with the recommendation to enter into a contract with Birse for this sum. It should be noted that under a target cost contract the final payment due to a contractor may be above or below the target cost. The mechanism is that either the savings or additional costs are shared between the Contractor and the Council, in accordance with the contract.