

I-Construct –Award of the construction contract		Agenda No: 5c
<p>Portfolio Economic Development</p> <p>Corporate Outcome: A prosperous district that attracts business growth and provides high quality employment opportunities</p> <p>Report presented by: Cllr Graham Butland, Leader of the Council</p> <p>Report prepared by: Aidan Kelly, Interim Head of Strategic Investment</p>		
Background Papers:		Public Report
<u>Minutes of Cabinet meetings held on 14th May 2018 and 9th July 2018</u>		Key Decision: No
<p>Executive Summary:</p> <p>On 14th May 2018 and 9th July 2018, Cabinet approved the delivery of the I-Construct project, approved the project budget and gave delegated authority for the planning application, the commencement of the tender process and the signing of relevant agreements relating to land, access and management of third party interests.</p> <p>This report seeks to award the Contract to the successful bidder following the conclusion of the procurement process.</p>		
<p>Recommended Decision:</p> <p>1. To award the construction contract for the I-Construct project to Beardwell Construction Ltd.</p>		
<p>Purpose of Decision:</p> <p>To enable the delivery of the I-Construct Innovation Centre and the alterations to the existing Braintree Enterprise Centre, which will allow for the project to continue in accordance with the programme of works as determined by ERDF funding timescales.</p>		

Any Corporate implications in relation to the following should be explained in detail.

Financial:	The project remains within with budget previously approved by Cabinet on 9 th July 2018
Legal:	The Council has conducted an open Tender exercise in accordance with the Constitution (Chapter two – Contract Procedural Rules) and Public contract Regulations 2015.
Safeguarding:	No matters arising out of this report
Equalities/Diversity:	<p>The new building will comply with all relevant disabled access requirements.</p> <p>All members of the professional team and the eventual main construction contractor are required to provide satisfactory equality and diversity policies as a prerequisite for selection.</p> <p>There are no indications that to proceed with this project would have an impact on the protected characteristics for any individuals.</p>
Customer Impact:	The project will assist in creating high-quality employment and training opportunities for residents both in the District and beyond.
Environment and Climate Change:	The Innovation Centre will be built to BREEAM Excellent standard, in accordance with ERDF requirements.
Consultation/Community Engagement:	No matters arising out of this report
Risks:	Section 4 below summarises one additional risk arising from this recommendation
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1. Background

- 1.1 The I-Construct project represents an opportunity for Braintree District Council (the Council) to work in partnership to deliver a flagship Innovation Centre with ERDF capital. The Centre will provide a focal point for business support, job creation and product development in the construction sector and will have reach across the South East Local Enterprise Partnership (SELEP) region. The project contributes to the delivery of the Council's Plan for Growth and will assist in meeting the objectives of the current Corporate Plan.
- 1.2 I-Construct fits with the Council's overall strategy to invest in employment sites in the District, in order to stimulate business start-up and growth, deliver high-quality jobs and attract inward investment.
- 1.3 The I-Construct project will be led by Haven Gateway Partnership (HGP) with ECC as the Accountable Body with the Council, Building Research Establishment (BRE), Colchester Institute and E3 Ltd as delivery partners. HGP will set up a dedicated I-Construct project team which will be based in Braintree and led by a project manager who will ensure effective programme management and co-ordination throughout the project.
- 1.4 The Council's delivery will include the design and development of a BREEAM Excellent 600m² Innovation Centre adjacent to the Council owned Braintree Enterprise Centre which will be rebranded as an Innovation Park. The Council will act as a delivery partner of the project with specific responsibility for managing the development of the Innovation Centre building and acting as landlord to the project, once the building is completed. The Council will also own and operate the Innovation Centre once the project is completed. The Innovation Centre will act as the new main entrance for the rebranded Innovation Park with the existing Enterprise Centre (Ignite House) to be reconfigured to increase office space.
- 1.5 Cabinet has been previously advised that a bid for European Regional Development Fund financial assistance for both the revenue and capital costs of the project had taken place. That bid has been successful and the Grant Funding Agreement (GFA) has been issued by the Ministry of Housing, Communities and Local Government (MHCLG). The Council are currently reviewing the GFA and will enter into it shortly in line with the previous delegation obtained from Cabinet.
- 1.6 On 14 May 2018, Cabinet approved the procurement of the construction contractor to deliver the new conference facility and offices and the alterations to the existing Braintree Enterprise Centre and the total project and contract value.
- 1.7 Accordingly the Council commenced an open tender process and on 20 August 2018 two tenders were submitted through Delta eSourcing. Both Tenders were evaluated by the Council's appointed Construction Consultant on a 50/50 cost/quality split. Following the conclusion of their evaluation it is recommended that the Council award the contract to the tender achieving the highest rating, which is Beardwell Construction Ltd.

2 Finance

2.6 At its meetings in May and July 2018, Cabinet approved:

- 2.6.1 The use of Council owned land as “benefit in kind”; and
- 2.6.2 A capital contribution

2.7 The project remains within the approved budget parameters and the contract tenders are in line with the project budget previously agreed. No further authority is sought in this respect.

3 Options

3.1 The Council could decide to delay the award of this contract further, or not to award the contract at all at this time. However, the Council has committed to the project and having secured the ERDF funding it is now essential that the Council progress to the construction phase of the project in order to ensure that it is able to meet the deadline of the overall project scheme. If the specific deadlines related to the ERDF funding are not met there is a danger that MHCLG could claw back funding from the project. Therefore this option is not recommended.

4 Risk

4.6 This section will address the additional risks arising from this proposal and will not reiterate the risks previously considered in respect of the I-Construct project.

4.7 If the Council were not to award the construction contract at this stage, the whole project timescales would be significantly delayed, and would have a considerable impact on each of the delivery partners within the project and on the Councils ability to meet its future ERDF funding deadlines.

5 Impact assessment

5.6 This recommendation does not alter the impact assessment previously reported.

6 Legal and governance

6.1 The Council has conducted an open Tender exercise in accordance with the Constitution (Chapter two – Contract Procedural Rules) and Public contract Regulations 2015.

7. EQUALITY AND DIVERSITY IMPLICATIONS

7.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:

- a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful.
- b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation.

7.3 There are no Equality and Diversity arising out of this decision to award the contract.

8. Summary

8.1 The I-Construct project remains as previously approved including that the projected capital costs are within the approved budget. The award of the construction contract will enable the project to proceed in line with the project timescales.