

## Record of officer decision

<b>Decision title:</b>	<b>Construction of North Magazine Civil Works, Hereford Enterprise Zone</b>
<b>Date of decision:</b>	18 January 2021
<b>Decision maker:</b>	Director for Economy and Place
<b>Authority for delegated decision:</b>	A cabinet member decision was taken on 5 October 2020 (decision to spend £5,432k of LEP grant funding that was allocated to further develop the Hereford Enterprise Zone). The full report and decision notice can be found here <a href="http://councillors.herefordshire.gov.uk/ieDecisionDetails.aspx?ID=7214">http://councillors.herefordshire.gov.uk/ieDecisionDetails.aspx?ID=7214</a> .
<b>Ward:</b>	Dinedor Hill
<b>Consultation:</b>	Work falls within the scope of the decision to spend £5,432k LEP funds (as above) which gives the Director of Economy and Place the delegated authority to implement the decision including the procurement and commissioning of new projects in consultation with the S151 Officer (as confirmed with Governance). This project is included in an overarching procurement and commissioning strategy for the works approved by both the Director of Economy and Place and the S151 Officer. The commercial team have been consulted throughout the tender process to ensure that the contract procedure rules are followed correctly. Further consultation has also taken place with Finance, Legal and the S151 Officer.
<b>Decision made:</b>	<p>To award a contract to Owen Pell Limited for the construction of the North Magazine civil works.</p> <p>The quoted cost for delivery of the works is £2,167,557.22 although a contingency amount of £500,000 is also needed to safeguard against identified risks. The contingency amount has been identified in collaboration with Mace Limited (council appointed consultant project managers) following a detailed analysis of the risk register with indicative costs allocated by Mace's cost consultant to each heading. A total figure of £2,667,557.22 therefore requires approval for the work to commence.</p>
<b>Reasons for decision:</b>	<p>Significant remediation work has already taken place on the North Magazine, including extensive ground investigations and earth movement/sifting in preparing the site for further development. Detailed design work for the required infrastructure has now also been completed following the masterplanning exercise carried out in Summer 2020.</p> <p>The council is now ready to commence the construction phase at the North Magazine following a successful tender exercise which will include the installation of the estate roads, utility trenches, SUDS, foul drainage, walkways / cycleways and landscaping features. The work will see the North Magazine sub-divided into a number of smaller plots in line with identified investor interest.</p> <p>Owen Pell Limited have been appointed following an open tender exercise which was carried out via the pro contract system, and evaluated against both cost and quality. The council's contract procedure rules have been followed with support from the commercial team.</p>

<b>Highlight any associated risks/finance/legal/equality considerations:</b>	The identified contingency sum will ensure that the project has adequate funds to cover all eventualities detailed in the risk register. The risk register will be regularly monitored, reviewed and updated as work progresses to ensure that activities are delivered as planned.
<b>Details of any alternative options considered and rejected:</b>	<p>The possibility of not carrying out the work has been considered. However, the sale of the land at the North Magazine depends entirely on the development of the required infrastructure. The land at the North Magazine needs to be development ready before it can be sold to identified businesses, which in turn will help the Enterprise Zone to achieve its economic development and employment objectives.</p> <p>Another alternative option would be to develop the whole of the North Magazine and market it as a single land parcel. However, there is no known market interest for a plot of this size, whereas investors have already been identified for the smaller plots which are to be developed.</p>
<b>Details of any declarations of interest made:</b>	None

Signed

Richard Ball  
 Director for Economy & Place

Date: 18 January 2021