

Record of officer decision

Decision title:	Enterprise Zone flood mitigation strategy implementation including spoil heap removal, movement and ground raising
Date of decision:	13 th September 2019
Decision maker:	Acting Director for Economy and Place
Authority for delegated decision:	Enterprise Zone capital interventions phase 5 – Cabinet member decision, 8 August 2019 http://hc-modgov:9070/ieDecisionDetails.aspx?ID=6182
Ward:	Dinedor Hill
Consultation:	None. This is not a new service
Decision made:	To commission the continuation of the HEZ wide flood mitigation strategy involving spoil heap treatment, removal and ground raising works at a cost of not more than £2,100,000 on the Hereford Enterprise Zone through the Public Realm Services Contract with Balfour Beatty Living Places.
Reasons for decision:	<p>This is one of the specific projects identified in the Enterprise Zone Capital Interventions decision paper as works necessary to make employment land at the HEZ ready for sale.</p> <p>The project is aimed at delivering a HEZ wide flood mitigation strategy and specific flood mitigation measures. The work involves specified treatment and removal of spoil from the North Magazine and movement of treated spoil to raise ground levels elsewhere on HEZ.</p> <p>The stipulated scope of works required to treat and remove the spoil heap and undertake ground raising works has already been competed by BBLP through their supply chain and the most economically advantageous bidder has been appointed to undertake the works.</p>
Highlight any associated risks/finance/legal/equality considerations:	<p>The council has considered the timing of the works. This is a 15-17 week programme and needs to be mobilized very quickly to ensure that the material within the spoil heap is screened and moved before the worst of the winter weather sets in. Otherwise, it will need to be delayed by another 6 months with potential for an adverse impact on the target cost. Also there are investors who are in advanced negotiations to purchase plots within the north magazine. Purchase is reliant on the works being undertaken by the council. Delays to the commencement of works are likely to introduce a risk that purchasers withdraw from the land purchase.</p> <p>BBLP were commissioned in 2018 to undertake these works at various sites across the EZ. Phase 1 works are now complete and this decision is to approve the commencement of Phase 2 works. BBLP were commissioned on the following basis:</p>

	<p>1. The nature of the works to be undertaken</p> <p>The works are covered by the CPV codes in the Public Realm Contract, therefore the council can use the contract without the need to undertake a full procurement process.</p> <p>2. The value of the works to be undertaken</p> <p>The total value of the BBLP contract has not been exceeded and the works are not above the EU threshold for applicability of the Public Contract Regulations 2015, therefore the council can consider using the BBLP contract to undertake these services without the need to procure.</p> <p>3. Value for money</p> <p>BBLP will tender works of a certain value through their supply chain to ensure the council is receiving best value for money.</p> <p>BBLP undertook a tender process in 2018 to appoint a contractor to deliver the works mentioned in this report, so there is already an agreement in place which has been completed and is ready for the council to utilise.</p> <p>The Enterprise Zone Capital Projects board have considered the alternative options and have determined, due to budget uncertainty and inability to procure within the required timetable, it is not considered advantageous for the council to procure the service directly.</p> <p>A number of the risks and mitigations set out in the Enterprise Zone capital interventions phase 5 decision paper apply to this project.</p> <p>The works are subject to a Materials Management Plan, approved by the Environment Agency, and overseen by an independent suitably qualified expert.</p> <p>Given the nature of the project, there are a number of potential compensation events that may occur with two of particular relevance.</p> <p>The first is finding greater than anticipated levels of contaminated material through the screening process, and hence requiring more material to be disposed of off-site (at budget cost).</p> <p>The second is the potential for bad weather incursions impacting on weather dependent activities such as material moving and laying.</p> <p>The target cost for the works is just over £1.5m, a budget allocation of £2.1m has been allocated in the budget to cater for these compensation events. This allocation is within the £16m HEZ capital budget within the programme approved at Council and specifically included within the Cabinet Member decision taken on the 8th August 2019 to approve the Enterprise Zone capital interventions phase 5.</p>
<p>Details of any alternative options considered and rejected:</p>	<p>Leaving the material in situ is not an option as the Environment Agency has advised that it needs to be treated and moved.</p> <p>The other alternative would be to carry out appropriate disposal of the material off site. This would be considerably more costly in terms of transport and disposal costs than this alternative, negotiated with the EA, which allows us to utilise the bulk of the material on site, whilst also helping to raise the plot levels</p>

	<p>for flood management purposes, which would otherwise be another separate cost.</p> <p>A new procurement process at this stage has also been discounted as an option as there is already a competed agreement in place through BBLP and a new procurement would result in the works not being undertaken until the spring 2020.</p>
Details of any declarations of interest made:	None

Signed Richard Ball
Director of Economy & Place

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