

Record of officer decision

Decision title:	Appointment of contractors for the Shell Store café and reception facilities fit out
Date of decision:	25/09/20
Decision maker:	Director for Economy and Place
Authority for delegated decision:	<p>“Shell Store incubation centre project revision”</p> <p>Cabinet Member decision taken by the cabinet Member for contracts and assets on the 27th July 2018.</p> <p>http://councillors.herefordshire.gov.uk/ieDecisionDetails.aspx?ID=5249</p>
Ward:	Dinedor Hill
Consultation:	None. This is not a new service
Decision made:	To appoint Barnwood Construction Ltd to undertake the fit out of the café and reception facilities within the Shell Store business incubation centre and to approve a budget of £62,497 from within the Shell Store Fixtures, Fittings and Equipment budget for these works.
Reasons for decision:	<p>The Hereford Enterprise Zone is looking to maximize the opportunities for introducing active travel measures to The Zone. Part of this is to create a network of cycle ways/walkways to all parts of the estate. The project specified here will connect the Greenway from the city to and past the back of the Shell Store and provide a direct, separate (and hence safe) route to the plot to the north of the Shell Store, which NMITE are looking to develop out for specialist facilities for their students to interact with local companies.</p> <p>Barnwood are the procured contractors for the Shell Store construction project. They were appointed to deliver the main construction under the project’s Main Contract budget of £6,455,528. The main construction elements of the project are materially complete with the final snagging and remediation elements currently being undertaken. This has been achieved at a cost of £6,286,412 which is currently £169,116 under budget.</p> <p>Although Barnwood were appointed as the Main Contractor the decision taken at the time did not include provision to appoint them to undertake works under the Fixtures, Fittings and Equipment budget.</p> <p>In August 2020 a decision was taken to approve budget expenditure against a number of items including the allocation of £50,000 from the Fixtures, Fittings and Equipment budget towards the fit out of the Shell Store café and reception areas.</p> <p>Barnwood have provided quotations for the works required to fit</p>

	<p>out the café and reception to a specification agreed with council officers. Mace, as the council's project managers, employers agent, and cost consultants have compared costs supplied by Barnwood against similar schemes and have confirmed that in their opinion the Barnwood quotation offers value for money.</p> <p>The Shell Store, Cyber Centre and Enterprise Zone Infrastructure Project Board have considered the recommendation from Mace and the comparison costs of undertaking this work and recommend acceptance of this price from Barnwood. The procurement and finance teams were consulted as part of this process and their considerations were taken into account when making this recommendation.</p>																												
<p>Highlight any associated risks/finance/legal/equality considerations:</p>	<p>Budget is available within the approved Shell Store Fixtures, Fittings and Equipment budget line. The table below shows the available Shell Store budgets on the 22/9/20. This takes into account all approvals made against budgets including the most recent decision taken on the 18th August 2020.</p> <p>In the 18th August decision a provisional sum of £50,000 was allocated to the fit out of the café and reception areas. An additional £12,497 is now required as the original £50,000 was primarily for the installation and purchase of the kitchen equipment and reception counters. The allocation did not include electrical and mechanical works, plumbing works, site supervision and management, Quantity Surveyor fees or the developers margin.</p> <p>Approving this decision will retain £219,418 within the Fixtures, fittings and Equipment budget.</p> <table border="1" data-bbox="544 1285 1362 1581"> <thead> <tr> <th>Budget</th> <th>Allocated</th> <th>Committed</th> <th>Remaining</th> </tr> </thead> <tbody> <tr> <td>Main Contract</td> <td>6,455,528</td> <td>6,286,412</td> <td>169,116</td> </tr> <tr> <td>Project/Design Fees</td> <td>196,671</td> <td>188,164</td> <td>8,507</td> </tr> <tr> <td>Other project costs</td> <td>53,489</td> <td>0</td> <td>53,489</td> </tr> <tr> <td>Contingency</td> <td>328,388</td> <td>323,201</td> <td>5,187</td> </tr> <tr> <td>FF&E (Direct costs – separate package)</td> <td>281,915</td> <td>50,000</td> <td>231,915</td> </tr> <tr> <td>Total</td> <td>7,315,991</td> <td>6,847,777</td> <td>468,214</td> </tr> </tbody> </table> <p>The Shell Store, Cyber Centre and EZ Infrastructure programme board have been consulted on the changes. This Record of Officer Decision follows the recommended approach from the programme board, legal, finance and other considerations were taken into account when making this recommendation.</p>	Budget	Allocated	Committed	Remaining	Main Contract	6,455,528	6,286,412	169,116	Project/Design Fees	196,671	188,164	8,507	Other project costs	53,489	0	53,489	Contingency	328,388	323,201	5,187	FF&E (Direct costs – separate package)	281,915	50,000	231,915	Total	7,315,991	6,847,777	468,214
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<p>Details of any alternative options considered and rejected:</p>	<p>The alternative was to seek a separate contractor to conduct these works. Mace provided a cost comparison which showed that this option was likely to cost more. There would be a need to conduct and manage a separate procurement exercise, and bringing another contractor on site would require additional preliminary/mobilisation costs, additional compound and welfare requirements and coordination of both sets of contractors on site. The alternative option was considered and rejected by the Shell Store, Cyber Centre and Enterprise Zone Infrastructure Project Board, which supported the option and cost recommended.</p>																												

	For this reason, during the Project Board discussions, the procurement and finance teams advised that best value could be demonstrated for this decision.
Details of any declarations of interest made:	None

Signed:
Richard Ball, Director Economy and Place

Date: 25/09/2020