

Record of officer decision

Decision title:	Project management, quantity surveyor (cost consultancy) and employer's representative services for Hereford Enterprise Zone (North Magazine)
Date of decision:	18 December 2020
Decision maker:	Director for Economy and Place
Authority for delegated decision:	A cabinet member decision was taken on 5 th 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 (http://councillors.herefordshire.gov.uk/ieDecisionDetails.aspx?ID=7214)
Ward:	Dinedor Hill
Consultation:	Work falls under 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 signed off by both the Director of Economy and Place and the S151 Officer. The commercial team have been consulted throughout the process to ensure the contract procedure rules are correctly followed. Further consultation has also taken place with Finance, Legal and the S151 Officer.
Decision made:	<p>Award of contract to Mace Limited to provide project management, quantity surveyor (cost consultancy) and employer's representative services regarding work on the North Magazine at Hereford Enterprise Zone.</p> <p>The specified fee for carrying out this service is 1.95% of total project costs. To enable tender comparison, we estimated a value of £2.5m for the project costs, which would give a fee of £48,750 to deliver this service. However, the £2.5m is a best estimate only at this stage, prior to the project package being put out to the open market to confirm prices.</p> <p>Given the uncertainty and difficulties in the construction sector created by the impact and response to COVID 19, we consider it circumspect to add extra contingency to that figure, to total £3m. It is therefore requested that a figure of £58,500 is signed off to ensure that services can continue to be provided without interruption in the eventuality of extra project cost and complexity, based on the same fee rate.</p> <p>The contracted delivery period is 12 months.</p>
Reasons for decision:	<p>We are embarking on a significant investment in infrastructure to make the North Magazine ready for business investors to buy and build their new workplace.</p> <p>This will involve a major package of projects being delivered in the next few months in order to meet the very tight deadlines set under the terms of The Marches LEP grant funding agreement.</p> <p>As such we need expert employer representative, project management and cost consultancy (QS) support to help shape and drive the procurement, contracting and delivery of the project package.</p> <p>Mace will provide specialist professional input to ensure the projects are tendered in the best shape and provide the requisite input through contracting, to manage the day to day relationship with the contractors and help deal with</p>

	<p>issues particularly around cost and progress in real time.</p> <p>Four quotations have been secured for carrying out the work via the pro contract system. The Council's contract procedure rules have been followed with support from the Commercial team. Mace Limited scored highest in the evaluation exercise.</p> <p>Mace Limited are supplying the same project team who have helped keep the Shell Store project on track in terms of budget and timetable so will bring that knowledge of the Zone and clients and will hit the ground running.</p>
Highlight any associated risks/finance/legal/equality considerations:	Four quotations were secured via the Council's procurement portal, and evaluated according to cost and quality.
Details of any alternative options considered and rejected:	<p>The possibility of trying to deliver all these services in house was considered. This set of projects is only one component of the project activity at the HEZ that needs delivery over the same time period. The HEZ team will be fully engaged in the client role for all this activity, and would not be able to provide the dedicated resource or specialist expertise required to fulfil those roles effectively, hence the reason for procuring this service.</p>
Details of any declarations of interest made:	None

Signed

Date: 18 December 2020

Richard Ball
Director for Economy & Place