

## Record of officer decision

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| <b>Decision title:</b>                   | North Magazine Earthworks / Plot Raising (Contract Variation)   |
| <b>Date of decision:</b>                 | 3 December 2021   |
| <b>Decision maker:</b>                   | Director for Economy and Place  |
| <b>Authority for delegated decision:</b> | <p>Funding for this work will be covered under the following decisions:</p> <p>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>.</p> <p>A cabinet member decision taken on 15 August 2019 (Phase 5 budget for the HEZ infrastructure project) gives the Director of Economy and Place the authority to implement interventions relating to this work. The full report and decision notice (Enterprise Zone Capital Interventions Phase 5) can be found here (<a href="http://councillors.herefordshire.gov.uk/ieDecisionDetails.aspx?Id=6182">http://councillors.herefordshire.gov.uk/ieDecisionDetails.aspx?Id=6182</a>)</p> <p>A cabinet member decision was taken on 8 October 2021 (decision to accept and spend £675k of LEP funding awarded to the council to spend on infrastructure works to make land ready for development at Hereford Enterprise Zone). The full report and decision notice can be found here (<a href="http://councillors.herefordshire.gov.uk/mgIssueHistoryHome.aspx?Id=50039173">http://councillors.herefordshire.gov.uk/mgIssueHistoryHome.aspx?Id=50039173</a>).</p> |
| <b>Ward:</b>                             | Dinedor Hill  |
| <b>Consultation:</b>                     | <p>The council has recently been successful in securing an additional £675,000 grant funding from the Marches LEP to carry out additional work on the North Magazine.</p> <p>The council has an existing contract with Owen Pell Ltd (total value of £428,774.57) for the delivery of earthworks / plot raising on the North Magazine. The contract was awarded in March 2021 following an open tender exercise. The RoOD covering this work was published on 24<sup>th</sup> March 2021 (<a href="#">Decision - North Magazine Earthworks (Plot Raising) - Herefordshire Council</a>).</p> <p>The current contract covers the purchase of 13,333 cubic meters of fill material as well as associated works to carry out required levelling / compaction of identified plots on the North Magazine. The tender was advertised for over nineteen thousand cubic meters, but only partially implemented owing to budgetary constraints. However, the Council now has sufficient funds to fully implement the tender.</p> <p>Following further consultation with the commercial team, the additional work can be added as a variation to the existing earthworks / plot raising NEC building contract with Owen Pell Ltd. The revised contract sum is under 50% of the original contract value. A variation can be issued in line with the council's contract</p>  |

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|  | procedure rules and the Public Contracts Regulations 2015.   |
| <b>Decision made:</b>  | <p>To increase the total amount available for this work by an additional £199,389.65 to £628,164.22 (utilising additional funds from the Marches LEP) and issue a contract variation to Owen Pell Ltd. Funds will be used to purchase additional fill material as well as costs for associated raising, levelling and compaction of plots 7 and 11 on the North Magazine.</p> <p>The additional £199,389.65 will be funded £175,000 LEP funds with the remaining £24,389.65 coming from Phase 5 Hereford Enterprise Zone funds.</p>  |
| <b>Reasons for decision:</b>   | <p>The additional works are an extension of existing activities contained within the initial tender brief (i.e. – purchase of material; levelling; compaction). The use of a separate contractor would be highly impractical and inevitably incur additional/duplicate preliminaries, mobilisation and site set up costs. There would also be additional health and safety / project management implications to consider, in attempting to manage / coordinate two contractors within a limited working space.</p> <p>The opportunity was advertised as an open procurement exercise via pro-contract for a period of three of 3 weeks. Of the responses received, Owen Pell Ltd scored highest against both cost and quality.</p> |
| <b>Highlight any associated risks/finance/legal/equality considerations:</b> | Project delivery will be overseen and signed off by the Enterprise Zone’s Project Management Consultants (Mace Limited) to ensure timely delivery on budget. Activities will be coordinated with wider North Magazine Civil works which are currently being delivered.   |
| <b>Details of any alternative options considered and rejected:</b>           | The possibility of not carrying out the work has been considered. However, the sale of land at the North Magazine depends entirely on the development of the required infrastructure with the identified earthworks and plot raising forming an important component. 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 achieve its economic development and employment objectives.  |
| <b>Details of any declarations of interest made:</b>                         | None   |

I am an officer delegated to make the decision

Signed:

Print Name: Neil Taylor

Job Title: Interim Director for Economy and Place