

# Report to the Council

**Portfolio:** Housing

**Date:** 1 November 2016

**Subject:** Overview and Scrutiny Rule 53 (Call-In and Urgency)

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## 1. COUNCIL HOUSEBUILDING PROGRAMME - PHASE I TENDER (RECOVERY PACKAGE)

### Recommending:

To note that the Chairman of Council agreed that the following decision of the Council Housebuilding Cabinet Committee (22 September 2016) be treated as a matter of urgency and not be subject to the call-in provisions of the Constitution, in accordance with Overview and Scrutiny Rule 53 (Call-In and Urgency):

(a) That P. A. Finlay and Company Limited be awarded the Design and Build Contract for the recovery phase of the construction works making up Phase 1 of the Council's Housebuilding Programme in Waltham Abbey, in the negotiated contract sum of £2,674,335.10; and

(b) That a contingency sum be set aside for any unforeseen matters that might materialise once works had commenced on site.

1.1 At its meeting on 22 September 2016, The Council Housebuilding Cabinet Committee had been advised that the Council had formally determined the contract for Phase 1 of the Council Housebuilding programme with Broadway Construction Limited, following concerns expressed by the Council over a period of time. From 1 June 2016, the Council had assumed over responsibility for the sites comprising Phase 1 of the programme.

1.2 A full audit of the work completed on site up to the date of the contract determination had been undertaken and a new tender package had been prepared under the direction of the Council's Development Agent. With the previous informal agreement of the Cabinet, informal discussions had taken place with known local companies that might be able to complete the contract works. As a result, P. A. Finlay and Company Limited had emerged as the only contractor that expressed an interest in taking over the contract, having also successfully completed refurbishment and conversion works on behalf of the Council at Marden Close.

1.3 Negotiations had therefore commenced with P. A. Finlay and Company Limited based on a design and build contract, whose proposed programme to complete the works had been evaluated by Pellings LLP. In the opinion of Pellings, P. A. Finlay and Company Limited had provided a submission that was competitive and reasonable in relation to the prevailing market conditions, which represented value for money for the Council.

1.4 The Chairman of Council had agreed to waive the call-in procedure set out in the Constitution, as any delay likely to be caused by the call-in process would seriously prejudice the Council's interests, as statutory utility quotations would expire during the call-in period, resulting in a contract price increase and further delay in the completion of the Phase 1 works.