



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**



Officer Delegated Decision

1st October 2024

Richard Wyles – Deputy Chief
Executive & S151 Officer

Contract award for Construction phase works at the new Depot site, Turnpike Close, Grantham.

Contact

Gyles Teasdale – Head of Property Services & ICT

 g.teasdale@southkesteven.gov.uk

Decision made by:	Richard Wyles – Deputy Chief Executive (S151 Officer)
Decision:	To seek approval to enter a contract with Lindum Group Ltd to progress the construction of the new Depot at Turnpike Close, Grantham.
Public or Exempt:	This report is not exempt from publication.
Reasons for exemption:	n/a
Conflicts of interest:	No
Policy compliant:	Yes
Details of delegation:	The Deputy Chief Executive is authorised under at Part 3 (c) for Delegated Powers to Officers, item 28 (Tendering) of the constitution to accept tenders and award contracts to contractors on behalf of the Council in the following circumstances: a) Following a tender process strictly in accordance with the Council’s Contract Procedure Rules and Financial Regulations. b) For carrying out works and/or the provision of goods and/or services.

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance

- 1.1 The budget for this contract is included in the Council's approved General Fund capital programme for 2024/25. The contract value is in accordance with the budget allocation for this project.

Completed by: Paul Sutton, Interim Deputy Director of Finance

Procurement

- 1.2 This requirement has been tendered via further competition directly under the Pagabo framework.
- 1.3 This procurement process has been managed by Gleeds Property Consultants.

Completed by: Helen Baldwin, Procurement Lead

Legal and Governance

- 1.4 There are no significant legal and governance implications associated with this proposal, which represents the award of a contract through a compliant procurement process, that are not already referenced elsewhere in the report.

Completed by: Mandy Braithwaite, Legal Executive

2. The Purpose of the Report

- 2.1 To seek approval to enter An NEC4 Engineering and Construction Option A: Priced contract with activity schedule, with Lindum Group Limited, to progress the Construction phase works for the new Depot at Turnpike Close, Grantham.

3. Available Options Considered

- 3.1 Outline any other options considered.

Option 1 – Enter into a NEC4 Engineering and Construction Option A, with Lindum Group Limited, to progress the Construction phase works for the new Depot at Turnpike Close, Grantham following the completion of a detailed design and value engineering (VE) phase.

Option 2 – Do not seek to progress the construction works which would leave the Council unable to provide a new waste depot building and thereby render the project unable to progress.

4. Preferred Option

- 4.1 Option 1 – Enter into a NEC4 Engineering and Construction Option A, with Lindum Group Limited, to progress the Construction phase works for the new Depot at Turnpike Close, Grantham following the completion of a detailed design and value engineering (VE) phase.

5. Reasons for the Decision(s)

- 5.1 The Council purchased a freehold parcel of land with vacant possession in April 2021 at Turnpike Close, Grantham, which is strategically important for the Council's growth ambitions following Full Council supporting the acquisition of the site in November 2020.
- 5.2 The food factory that was on the site has been demolished by the vendor prior to completion of the purchase and SKDC's procured Cawardens to remediate the site in October 2022 leaving it clear and ready for construction.
- 5.3 At a meeting of Cabinet on the 16th April 2024, the following approvals were granted with regard to bringing forward the construction of a new waste Depot on the site:
- *Approves the outcome of the tender process and appoints Lindum Group Ltd as the preferred contractor for the construction of the Turnpike Close construction contract.*
 - *Delegates to the Deputy Chief Executive in consultation with the Cabinet Member for Property and Public Engagement to enter into a NEC4 Professional Services Contract with Lindum Group Ltd in order to develop the submitted design to Stage 4 supported by a Value Engineering process in order to align the overall contract price with the approved budget.*
 - *Following the conclusion of the Value Engineering, delegation be granted to the Deputy Chief Executive in consultation with the Cabinet Member for Property and Public Engagement to enter into the construction contract to enable the commencement of the works.*
- 5.4 The report presented to Cabinet set out there would be a period of value engineering with the preferred contractor, Lindum Group Limited, in order to reduce the submitted bid to within the budgeted level.
- 5.5 The value engineering stage and stage 4 detailed design period has now been progressed and following ongoing works and negotiation with Lindum, a suitable contract of works and costing has been achieved to enable the council to enter into

Contract. An NEC4 Engineering and Construction Option A: Priced contract with activity schedule for the progression of the waste depot construction has been developed in consultation with Legal Services Lincolnshire and Lindum for the project progression.

- 5.6 These works are a requirement in order to enable the project to progress to construction phase and without developing the RIBA Stage 4 detailed design the scheme would be unable to progress to construction.
- 5.7 From Pre-construction works, detailed costings have been derived, to enable accurate budgeting of the construction stage and advising the Council on anticipated cash flow to facilitate stage payments over the contract period along with any other consultants' appointments.
- 5.8 Based on the agreed scheme of works, the works contract will be progressed amounting to £7,675,807.15 to facilitate this scheme. Approval is being sought in order to award a contract of works via the Pagabo Framework based on this proposed Tender sum agreed with Lindum.
- 5.9 The above contract figure does not include some items of works which will need to be added back into the contract following further design review and clarification. These works are estimated to amount to £315,000 based on latest forecast projections. However the final figure will not be known until the further design work has been completed.
- 5.10 This process has been conducted in accordance with the Council's Contract and Procurement Procedure Rules and the Public Contract Regulations 2015.

Signed by: **Richard Wyles**

Dated: 01 October 2024