

# Report to Cabinet

26<sup>th</sup> May 2016

By the Cabinet Member for Waste, Recycling and  
Cleaving

&

By the Cabinet Member for Finance and Assets



Horsham  
District  
Council

## **DECISION REQUIRED**

Not exempt

### **Approval of the building construction contract for the redevelopment of Hop Oast Depot**

#### **Executive Summary**

On 26<sup>th</sup> March 2015, Cabinet approved the redevelopment of the waste depot at Hop Oast and on 29<sup>th</sup> April 2015, Council approved a budget for the project of £4.55M, which comprised of £4.3m for construction and fees and £250,000 as a sum to ensure business continuity during the construction period.

On 28<sup>th</sup> January 2016, Cabinet approved the selection of a building contractor, Sunninghill Construction Co Limited, from the Sussex Cluster Contractor Framework. The contractor's appointment was on a two stage design and build basis, which enables the contractor to join the project team before a final price has been established.

The design process has been completed and the selected building contractor has now provided a price for completion of the works, which is £3.883m plus professional fees of £138,000. In addition a £185,000 contingency budget has been allocated for the construction works. The total figure including fees and contingency is £4.206m which is below the £4.3m original estimated budget for the construction element of the project. Cabinet approval is required to enter into the building contract for this sum and to proceed to the construction phase of the project.

It is expected to start the works on site towards the end of June 2016 and that the building contract will be completed and the depot operational from the new facility in Autumn/Winter 2017.

#### **Recommendation**

The Cabinet is recommended to:

- (i) Approve the tender received from Sunninghill Construction Co Limited and to enter into a contract so that the construction phase of the building contract can commence.

## **Reasons for Recommendations**

1. To undertake the redevelopment of the Hop Oast Depot and provide an improved waste disposal depot.

### **Background Papers**

Council, 26<sup>th</sup> February 2014, Annual Budget Report – Capital Programme Hop Oast Depot (£3,500,000 approval)

Cabinet Report 26<sup>th</sup> March 2015: Hop Oast Depot Replacement (request for additional £1,050,000 capital budget)

Referred to Council, 29<sup>th</sup> April 2015: Hop Oast Depot Replacement (approval of an additional £1,050,000 capital budget)

Cabinet Report 28<sup>th</sup> January 2016: Appointment of a Building Contractor- Hop Oast Depot

None

### **Consultation**

**Wards affected All**

**Contact: Brian Elliott Property and Facilities Manager**

## **Background Information**

### **1 Introduction**

- 1.1 Cabinet agreed in March 2015 to redevelop Hop Oast Depot in order to: bring the facility up to date; remove potential health and safety risks; consolidate two depot facilities into one for operational efficiencies and to provide a facility that will accommodate the expected future growth of the District.
- 1.2 Council approved in April 2015 a budget for the works of £4.3m together with a £250,000 contingency transition fund to ensure business continuity during the construction period. The total budget approved is £4.55m. Previous budgetary approval for a new depot was agreed as part of the Council budget in February 2014. These figures were based on a cost plan for a workshop and office facility, comprising three workshop bays together with administrative offices.
- 1.3 The detailed design has been completed taking into account current and future business needs. The design incorporates modern efficient features required for a facility of this nature, to ensure that business operations can be conducted in a safe and efficient environment. The design also allows for the building to be expanded in the unlikely event that additional office accommodation is required in the future.

### **2 Background**

- 2.1 Hop Oast depot was developed during the 1980s for a waste operation that consisted of 10 refuse collection vehicles and crews. The Council's waste operation has grown since then (including the collection of residual, recycling and trade waste operations and accommodating the Council's cleansing functions) and there are now 25 large goods vehicles located at Hop Oast, with a further 14 at the Hurston Lane Depot in Storrington.
- 2.2 Both Hop Oast and Hurston Lane are reaching the end of their physical and economic life; paved surfaces have degraded and the buildings do not meet modern health and safety and welfare requirements. The intensification of use over the years means that it is difficult to segregate people and vehicles, which presents health and safety risks. The vehicle workshop at Hop Oast is unable to accommodate large refuse vehicles and has insufficient space to operate, resulting in staff having to regularly repair and maintain vehicles outside.

There are also a number of health and safety shortcomings at the site, which include:

- Very poor segregation between vehicles and pedestrians
- Insufficient space for parking operational vehicles on site leading to overcrowding and problems with manoeuvring vehicles
- The site entrance is located on a blind bend creating a significant risk of collision with passing vehicles
- Staff welfare facilities are inadequate, the canteen, toilets, lockers and showers do not comply with modern requirements

- Vehicle maintenance often takes place in the open air, causing safety and welfare concerns for maintenance staff, e.g. working outside during rain or cold conditions

2.3 The brief to the project team was to achieve a design that provides:

- A flexible facility that can cope with the increase in demand resulting from projected population growth over the next 30 years.
- Greater operational efficiency
- A facility that is modern, safe and fit for purpose
- A facility that would be acceptable to an external provider, if the service were to be commissioned in the future.

The design meets the project brief.

2.4 A detailed assessment of the potential business continuity transition costs is still to be established, but it is anticipated that the £250,000 allocated budget is adequate.

### **3 Statutory and Policy Background**

#### **Statutory background**

3.1 Accepting the construction cost under the two stage design and build procurement process is compliant with procurement and financial regulations.

#### **Relevant Council policy**

3.2 Delivering a new waste depot is a key objective of the Corporate Plan Priorities 2016-19, Environment theme 'Deliver a new waste depot by March 2018'.

### **4 Financials**

4.1 The total cost of the final contract cost sum settled with the contractor is £3.883m. In addition to this are professional fees of £138,000 plus a construction contingency budget of £185,000. The total figure, including fees and building contingency is £4.206m (excluding contingency transition costs), which is below the approved capital budget of £4.3m agreed by Council in April 2015.

### **5 Outcome of Consultations**

5.1 The Director of Corporate Resources comments are incorporated in this report.

5.2 The Council Solicitor/Monitoring officer comments are incorporated in this report

5.3 The Director of Community Services (Project Sponsor) comments are incorporated in this report.

## **6 Other Courses of Action Considered but Rejected**

None.

## **7 Next steps**

To instruct the contractor to proceed with the construction phase of the project.

## **8 Conclusion**

The project brief is to provide a building which meets the current and future needs of the service and the construction costs are within the approved budget.

## Appendix 1

### Consequences of the Proposed Action

What are the risks associated with the proposal?  Risk Assessment attached Yes/No	This is a major construction project and there are risk associated with this, including cost and time over runs.
How will the proposal help to reduce Crime and Disorder?	The new facility will have improved security, better fencing and underground fuel tanks.
How will the proposal help to promote Human Rights?	There are no specific human rights implications.
What is the impact of the proposal on Equality and Diversity?  Equalities Impact Assessment attached Yes/No/Not relevant	The new facility will have improved access arrangements.
How will the proposal help to promote Sustainability?	The improved facility has a number of sustainability features which will reduce the CO <sup>2</sup> emissions and running costs of the building.