

**Cobtree Manor Park – Car Park Improvement Update**

<b>Final Decision-Maker</b>	Cobtree Manor Estate Charity Committee
<b>Lead Head of Service/Lead Director</b>	John Foster – Acting Head of Regeneration and Economic Development
<b>Lead Officer and Report Author</b>	David Mounter – Projects Officer
<b>Classification</b>	Public
<b>Wards affected</b>	Boxley

**Executive Summary**

This report details proposed improvements to the car park at Cobtree Manor Park. Currently the car park is very wet during the winter and dusty in the summer, and results in an increasing number of complaints from visitors. A procurement exercise has been undertaken that if progressed will seek to address the current issues.

**This report makes the following recommendations to this Committee:**

1. The winning tender price of £283,143.78 is accepted and the successful contractor is appointed, as detailed in the Exempt Appendix, to carry out the works as agreed.
2. Delegated authority is given to the Head of Regeneration and Economic Development to agree financial variations in line with the proper management of the contract in consultation with the Chairman of the Committee.

**Timetable**

<b>Meeting</b>	<b>Date</b>
Cobtree Manor Estate Charity Committee	18/12/2018

# Cobtree Manor Park – Car Park Improvement Update

## 1. INTRODUCTION AND BACKGROUND

- 1.1 At its meeting on 25 January 2018 the Committee agreed that MBC would progress with the appointment of a main contractor to undertake the car park improvement works and for the appointment of a project manager to oversee the works.
- 1.2 The Committee received a report at its meeting in August 2018 which identified potential shortcomings with the design information and if the scheme had progressed on the tendered basis, it could have led to the car park continuing to experience the issues that currently occur i.e. being very wet in the winter and very dusty in the summer. Surveys confirmed that the proposed design solution was not fit for purpose and so Members agreed with the recommendation to re-run the tender exercise under a design and build contract. This would relieve the Council of design liability placing it on the appointed contractor. The Committee also agreed to an additional £10,000 to enable the appointment of an Employer's Agent to assist with the preparation and management of the design and build contract and to an additional £6,000 for MBC project management time.
- 1.3 Logic PM was appointed to fulfil the Employer's Agent role. Working with the MBC project manager, MBC procurement team and Cobtree Manager, the Employer's Requirements and tender documents were prepared.
- 1.4 The opportunity was tendered as a Restricted Tender Process with past experience being assessed as part of the selection criteria at the Pre-Qualification Questionnaire (PQQ) stage and project specific, qualitative award criteria being a mandatory requirement as part of the award criteria based on the bidder's ability to meet the specification at the Invitation to Tender (ITT) stage. Therefore the ITT was 100% price.
- 1.5 The PQQ stage asked contractors to respond to three mandatory questions relating to health and safety, insurance and credit rating. Four quality questions were asked that related to relevant experience, project risk, qualifications and deliverability. The opportunity was advertised on the Kent Business Portal on 17<sup>th</sup> September 2018 with a return date of 5<sup>th</sup> October.
- 1.6 Sixteen contractors submitted a response to the PQQ. One submission was disqualified because it was incomplete. An assessment panel consisting of David Mounter (MBC Project Officer), Nick Baster (Employer's Agent, Logic PM) and Mike Evans (MBC Leisure Manager) evaluated the responses. A moderation meeting was held with MBC Procurement on 11<sup>th</sup> October where the scores were reviewed and moderated.
- 1.7 This contract is for a design and build contract with the successful contractor fulfilling the role of Principal Designer and Principal Contractor under the CDM 2015 regulations. The Evaluation Panel felt the responses to the PQQ did not provide suitable reassurance that the contractors had

demonstrated their experience of delivering this type of contract and fulfilling these specific roles. Therefore the top seven contractors were asked a clarification question requesting them to demonstrate their experience. This was issued as a pass/fail question whereby if the contractor provided an adequate response they would be taken through to the ITT stage. Four of the contractors provided an appropriate response and were taken through to the next stage for pricing.

1.8 The ITT was issued on 25<sup>th</sup> October with a submission deadline of 30<sup>th</sup> November. The reward criterion takes into account the requirements contained within Appendix 1. Contractors who successfully passed these criteria had their tender responses assessed.

1.9 The result of the ITT evaluation is shown in Table 1.1 below.

<b>Company Name</b>	<b>Award Criteria pass/fail</b>	<b>Main Car Park Price</b>	<b>Lower Car Park Price</b>	<b>Total Price Submission</b>	<b>Rank</b>
Contractor C	Pass	£232,311.80	£50,831.98	£283,143.78	1
Contractor G	Pass	£274,739.77	£44,936.64	£319,676.41	2
Contractor F	Pass	£455,439.93	£77,957.19	£533,397.12	3
Contractor A	Pass	£593,800.00	£55,150.00	£648,950.00	4

Table 1.1 ITT submission results

1.10 All contractors submitted compliant bids. A tender report prepared by the MBC Procurement Manager is attached as an Exempt Appendix. The highest scorer based on Price is shown within this report.

1.11 The outline proposal from the highest scoring contractor is to create a tarmac circulation road with parking bays constructed of Type 1 road stone topped up with reduced fines. The existing surface to the bays will be re-profiled and perforated in order to maintain permeability. French drains will be installed across the car park to capture steady rainfall. An area to the left of the entrance has been allocated for additional surface water run-off. The main car park shall be marked out with 133 car parking spaces, and seven existing disabled bays. Thirty two spaces shall be created in the lower car park, three of which will be allocated disabled bays. In total the car park will provide 172 car parking spaces, ten of which will be disabled bays. The design is subject to approval when in contract however, in summary the contractor has proposed a cost effective sustainable solution that meets the project brief.

1.12 The estimated cost for this scheme reported at the August Committee meeting was between £256k and £297k. The current construction cost of £283,143.78 is within this band. Combined with fees of £11,750 spent to date, £6,000 for MBC project management time and £10,000 for the appointment of an Employer's Agent to prepare the contract and manage the works, the current project cost forecast is £310,894.

1.13 If the Committee wish to proceed with the main car park only and omit the lower car park the project cost forecast is reduced to £260,061.80 which includes the reduced contract value of £232,311.80 and all fees.

- 1.14 The current costs exclude any contingency. The contract has been prepared to try and mitigate risk however in the event of unforeseen circumstances e.g. severe weather event, it will be necessary to instruct the contractor in a timely manner and in accordance with the contract. Delaying instructions could lead to undue cost to the committee so we recommend that delegated authority is given to the Head of Regeneration and Economic Development to approve financial variations in line with the proper management of the contract in consultation with the Chairman of the Committee.
- 1.15 It is recommended that if these works go ahead they progress as per the contractor's construction programme. This shows the construction works starting at the end of January 2019 subject to design approval earlier in the month. The works are programmed to be completed by the beginning of April ahead of the Easter break.
- 1.16 Members will recall that when this scheme was originally approved in January 2018 there were sufficient resources to pay for the works. In August 2018 when it became clear that costs would increase it was indicated that the funding for the scheme could be spread over a number of years to ensure that the Trust had sufficient cashflow to meet any ongoing obligations. The Council would pay for the works under the current financial arrangements and the Trust would repay the cost via the annual payment of any monies due to or from the Council.
- 1.17 However, from early 2019 the Trust will be establishing its own financial management system. The works can proceed as planned but importantly this means any financial arrangements between the Council and the Trust will need to be formalised, and the funding for this scheme would need to be formally defined as a loan.
- 1.18 Paul Holland, Senior Finance Manager, has discussed this issue with the Director of Finance and Business Improvement who has indicated that the Council could treat the funding for this scheme as a loan, with the repayments (including interest at market rate) over a period to be determined. The lending proposal would be included in the Council's Treasury Management Strategy which requires approval by the Audit, Governance and Standards Committee.
- 1.19 Clearly there are risks associated with this project, most significantly that this is a major financial commitment for the Trust. However income for the next five years is largely fixed due to the contracts that are in place for the golf course, café and Kent Life, and regular running costs should be stable and consistent. There is the risk of further unexpected expenditure although this can be mitigated by the Asset Management Plan which should give an indication of any potential problems going forward.

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## **2. AVAILABLE OPTIONS**

### **2.1 Do nothing**

Delay the works to the car park until a later time when the committee is content that CMET's finances are in a stronger position. This option would see a continuation and possible worsening of the current situation. The car park would continue to be very wet in the winter months and very dusty in the summer. In addition the ability to maximise use of the car park and receive revenue would not be realized.

- 2.2 Agree to proceed with the main car park works only and award the contract to the successful contractor

This would complete only part of the main objective that this project set out to achieve. However, it would limit the capital expenditure and still realize a car park with marked out bays thus maximising space of the largest area. If this option were to be progressed a total of 140 parking spaces would be provided (subject to design approval when in contract).

That delegated authority is given to the Head of Regeneration and Economic Development to approve financial variations in line with the proper management of the contract in consultation with the Chairman of the Committee.

- 2.3 Agree to proceed with the main car park and lower car park works and award the contract to the successful contractor

This would achieve the main objective and provide 172 marked out parking spaces.

That delegated authority is given to the Head of Regeneration and Economic Development to approve financial variations in line with the proper management of the contract in consultation with the Chairman of the Committee.

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### **3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

- 3.1 The recommendation is to proceed with Option 2.3 above and accept the winning tender price of £283,143.78 and appoint the successful contractor as shown in the Exempt Appendix to this report to carry out the works as agreed.
- 3.2 Delegated authority is given to the Head of Regeneration and Economic Development to approve financial variations in line with the proper management of the contract in consultation with the Chairman of the Committee.

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### **4. RISK**

- 4.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. We are satisfied

that the risks associated are within the Council’s risk appetite and will be managed as per the Policy.

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## 5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 No formal consultation has taken place regarding the refurbishment of the car park, however direct feedback from customers coupled with comments on social media confirm that it is the most regular complaint received about the park.

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## 6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 If committee agrees to the recommendation we shall inform the suppliers of the result and begin with the formal appointment of the successful contractor. Works would be carried out between January and April 2019 with the requirement for the works to be completed before the Easter school holidays.

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## 7. CROSS-CUTTING ISSUES AND IMPLICATIONS

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
<b>Impact on Corporate Priorities</b>	This decision will have an impact on the following Corporate Priorities <ul style="list-style-type: none"> <li>• Keeping Maidstone Borough an attractive place for all -</li> <li>• Ensuring that there are good leisure and culture facilities</li> </ul>	Head of Regeneration and Economic Development.
<b>Risk Management</b>	The risks are outlined in the report.	Head of Regeneration and Economic Development.
<b>Financial</b>	The financial implications are outlined in the report. However the increase in the car parking charge will have a positive impact on available resources going forward.	Paul Holland, Senior Finance Manager (Client)
<b>Staffing</b>	This will have no impact on staffing as an external project manager will be appointed.	Head of Regeneration and Economic Development.
<b>Legal</b>	A contract will need to be prepared and exchanged with the successful contractor. Any contract entered into must be	Keith Trowell, Interim Team Leader (Corporate

	in accordance with the Council's Contract Procedure Rules and should be in a form approved by the Head of Legal Partnership. There will also need to be consideration of whether a separate loan agreement between the Council and the Trust is needed or whether current financial arrangements are sufficient to ensure that the initial outlay is repaid as agreed.	Governance)  Lucinda MacKenzie-Ingle, Team Leader (Contracts and Commissioning)
<b>Privacy and Data Protection</b>	No additional data will be held.	Keith Trowell, Interim Team Leader (Corporate Governance)
<b>Equalities</b>	The equalities impact has been considered as part of the tendering process.	Equalities and Corporate Policy Officer
<b>Crime and Disorder</b>	This will have no impact on Crime and Disorder	Head of Regeneration and Economic Development.
<b>Procurement</b>	The necessary procurement exercise has already been carried out to secure a contractor for this work.	Head of Regeneration and Economic Development.

## 8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix 1: Contract award criteria
- Exempt Appendix: Cobtree Car Park Tender Report

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## 9. BACKGROUND PAPERS

None