

## NOTIFICATION OF DECISION FOR URGENT IMPLEMENTATION

(Decision either included or not included on the current Forward Plan but needs to be implemented immediately by virtue of the urgency of the actions that need to be undertaken. This decision will not be subject to call-in.)

### ORIGINATOR'S DETAILS

**Name & Contact details:** Laura Wannop, Project Manager  
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### DETAILS OF THE REPORT

#### **Gateway 2 - Contract Award Approval Main Works Contract – Cator Street 2**

This decision is seeking to award the second stage main contract to Equans Regeneration Ltd (Equans) to construct 50 new extra care homes, together with 8 wheelchair housing units and a flexible multi-purpose space. A pre-commencement services agreement (PCSA) and enabling works contract has already been awarded to Equans, with the PCSA now completed and the enabling works (to relocate a substation) due for completion in early May 2022.

#### **Why has this decision been delayed until now?**

The stage two procurement has been ongoing since the award of the PCSA in March 2021 and a final price submission was received by the council in December 2021. Since that time the council has been evaluating the submission and seeking to confirm the costs submitted. The final evaluation of the price was completed in early March 2022 and the report recommending award was presented for internal approval in late March 2022. Additional information was requested and it has taken time for this to be gathered for inclusion with the report.

#### **Why can't the decision be reasonably deferred?**

Current market conditions in the construction industry are such that the fixed price offer received from Equans is set to expire on 6 May 2022.

Should the contract not be awarded by this date, a new procurement exercise will be required which, given the fluctuations in the market and the current rate of inflation, will in additional costs to the council to deliver this project. The additional information has now been collated and included within the report however due to the time taken to prepare this, we will no longer be able to meet the 6 May deadline if we do not seek urgent implementation.

#### **How long has the department known the decision was to be taken?**

This decision was included on the council's forward plan for April in February 2022.

**If scheduled on the forward plan for a particular period, what's changed to make it so urgent now?**

The price submission received from Equans is a time sensitive one and missing this deadline will mean a new revised price will need to be sought.

**Why is it important that this decision is taken now?**

As mentioned above, due to the current construction market, there will be monetary implications to delaying this decision, as the contractor is unable to hold the price after the 6 May 2022.

**What is the potential cost to the council if the decision is delayed?**

In reviewing the potential cost to the council of a new procurement process for this project, the council's cost consultant has estimated an additional £1.9m would be required to deliver this project.

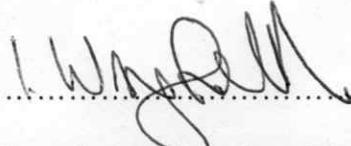
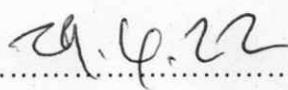
**Date decision to be taken by: 4 May 2022**

Urgent implementation notice cleared by: <b>Director of New Homes</b>	
Chief Officer / Director	Stuart Davis
Date	28/04/22

**Declaration**

I agree/disagree\* with the Chief Officer/Head of Service that the proposed Decision is reasonable and that it can be treated as a matter of urgency.

Reason for refusal

Signed.......... Dated..........

Chair of Overview & Scrutiny Committee/~~Mayor/Deputy Mayor\*~~

\* delete as appropriate

Please note reasons for refusal, additional points or further action required (as appropriate)

Please return completed form to Chidilim Agada, Proper Constitutional Officer, 2<sup>nd</sup> Floor, Hub 2, 160 Tooley Street, London, SE1 2QH – tel: 020 7525 3310.  
Email: [constitutional.team@southwark.gov.uk](mailto:constitutional.team@southwark.gov.uk)