



OVERVIEW & SCRUTINY COMMITTEE

MINUTES of the OPEN section of the meeting of the OVERVIEW & SCRUTINY COMMITTEE held on MONDAY 6 MARCH 2006 at 8.30 A.M. at the Town Hall, Peckham Road, London SE5 8UB

PRESENT: Councillor Kim Humphreys (Chair)
Councillor Bob Skelly (Vice-Chair)
Councillors Fiona Colley, Barrie Hargrove, Andy Simmons and Neil Watson

OFFICER Andrew Brown – Strategy Manager, Environment & Leisure
SUPPORT: Gill Davies – Strategic Director of Environment & Leisure
Glen Egan – Assistant Borough Solicitor
Nigel Robinson – Strategic Development Manager for Sport
Jay Yeats – Head of Parks & Sports
Peter Roberts – Scrutiny Project Manager

APOLOGIES FOR ABSENCE

Apologies were received from Councillors Eliza Mann and Anne Yates.

CONFIRMATION OF VOTING MEMBERS

The Members listed as being present were confirmed as the Voting Members.

NOTIFICATION OF ANY OTHER ITEMS WHICH THE CHAIR DEEMED URGENT

There were none..

DISCLOSURE OF INTERESTS AND DISPENSATIONS

There were none.

RECORDING OF MEMBERS' VOTES

Council Procedure Rule 1.17(5) allows a Member to record her/his vote in respect of any motions and amendments. Such requests are detailed in the following Minutes. Should a Member's vote be recorded in respect to an amendment, a copy of the amendment may be found in the Minute File and is available for public inspection.

The Committee considered the items set out on the agenda, a copy of which has been incorporated in the Minute File. Each of the following paragraphs relates to the item bearing the same number on the agenda.

1. **CALL-IN: GATEWAY 2 – CONTRACT AWARD APPROVAL - PECKHAM PULSE WATER LEAK REPAIRS CONTRACT - CONSTRUCTION WORKS BY MAKERS UK LTD (THE PREFERRED CONTRACTOR)** [see pages 1 – 37]

- 1.1 The Strategy Manager reported that he had updated members of the Environment & Community Support Scrutiny Sub-Committee on the situation at the Peckham Pulse. He briefly outlined the history of the problems at the Pulse, which had resulted in the pool being closed last Easter, and the proposed solution. A two-stage tender process had been followed in order to enable early involvement of the contractor in developing a preferred design solution. The Strategy Manager clarified the decision in favour of a tunnelling option to reach and repair the damaged pipes, principally that this option would limit disruption to the running of the centre.
- 1.2 Members of the Committee were concerned that there was insufficient information about the contractor, Makers UK Ltd, and about alternative contractors. Members asked whether Makers UK Ltd had any previous experience in the borough, or experience of similar specialist work, and for clarification of their potential role in the contract.
- 1.3 The Strategy Manager confirmed that Makers UK Ltd were on the Council's approved list and were undertaking work in the borough. He explained that they had the most relevant background and experience and were committed to the project. The Strategy Manager emphasised that this was a high profile project and very important to the Council. Every effort would be made to protect the Council's interests by including appropriate legal safeguards in the contractual arrangements.
- 1.4 Members emphasised that the Pulse needed to be brought back into full use as soon as possible. In response to questions, the Strategy Manager explained the delay to the timetable should the work be put out to tender again, and the consequent loss of income.
- 1.5 In considering the report from consultant quantity surveyors, Franklin & Andrews, Members expressed the view that difficulties experienced in clarifying detailed costs with Makers UK Ltd might imply possible future difficulties in monitoring costs of the eventual contract. The Strategy Manager responded that areas of concern identified by Franklin & Andrews were around the margins of the contract. He also stressed that, while the Council was seeking as much certainty as possible in terms of cost, no building contract was without unforeseen risks. The initial tunnelling could reveal additional problems that would be need to be resolved at appropriate cost.
- 1.6 Members also raised concerns about the reasonableness of costs relating to travelling time, travel expenses and subsistence, as detailed on page 22 of the report.
- 1.7 In concluding the meeting, the Chair was of the opinion that Officers had followed the correct processes in arriving at the decision, taking proper account of the quantity surveyors' report and bearing in mind the high profile nature of the project.

RESOLVED: 1. That, subject to the Strategic Director of Environment & Leisure reassuring herself on the following points, her decision of 22 February 2006, in respect of Gateway 2 – Contract Award Approval - Peckham Pulse Water Leak Repairs Contract - Construction works by Makers UK Ltd, shall not be referred back:

- That the Head of Procurement take a second detailed look at approving this award of contract, in the light of concerns raised by Members;
 - A report on the experience of Makers UK Ltd, both in-borough and out-of-borough;
 - Confirmation that the amounts outlined at paragraph 2.2.13 in respect of travel expenses and costs have been properly costed.
2. That the Overview & Scrutiny Committee receive a report back on the final outcome of the contract, following completion of the work.

The meeting closed at 9.35 a.m.

CHAIR:

DATED: