

Report to Steve Read, Director of Environment & Public Protection

July 2021

Award of contract for Halewick Lane Phase 2 – Appointment of an Independent Connections Provider Contractor

Report by Tom Coates (Senior Energy Projects Manager) and Davina Warwick (Category Manager, Procurement)

Electoral division: Sompting & North Lancing

Summary

In 2020, the County Council cleared the site of the previous Waste Landfill Centre at Halewick Lane, Sompting ahead of the design and installation of a 2nd Life Battery Storage Facility. The demolition work is now complete, and the Phase 2 requires the award of a contractor to install the Contestable Works, i.e. the grid connection cabling that will connect the site to Worthing Grid.

In March 2021, the Cabinet Member for Environment delegated [the decision to procure and award](#) a contractor to the Director of Environment & Public Protection, following the procurement exercise.

An open competitive procurement exercise was undertaken in accordance with the Public Concession Contracts Regulations 2016, the Public Contracts Regulations 2015 and the Council's Standing Orders on Procurement and Contracts.

Recommendations

The Director of Environment and Public Protection is asked to award the contract for the Contestable Works, Phase 2 of the Halewick Lane Project for the sum of £2,643,202.79 to Green Frog Connect as a single supplier to start from 3 August 2021.

Proposal

1 Background and context

1.1 Initially the project for Halewick Lane was [authorised to proceed](#) in June 2019 and supports the Council's wider [Energy Strategy](#).

2 Proposal details

2.1 The Procurement Team chose to run an Open Procedure for Phase 2 in order to appoint an Independent Connections Provider (ICP), which was authorised by the Procurement Board in December 2020. This was deemed the most suitable

route due to a small number of highly specialist contractors being in the market for this type of work.

- 2.2 A contracts finder [Notice](#) was published on 29 January 2021.
- 2.3 A total of 20 organisations expressed interest in the opportunity, and seven registered an intention to bid. Three tenders were received. However, one bid failed to submit any Method Statement Questions so was rejected.
- 2.4 One bid failed to score the minimum quality criteria at the evaluation and moderation stage, so was rejected.
- 2.5 The County Council undertook compliance checks on the tender submission to ensure all schedules that were required were duly submitted and that the tenders were correct.
- 2.6 The tender evaluation criteria and evaluation model, was included in the tender documentation:
- 2.7 The tenders were evaluated by a multi partner and multi-disciplinary evaluation panel between 3 - 7 May 2021 and a moderation meeting was held on 11 May 2021 to discuss and agree final scores. Quality and cost were evaluated by separate teams.
- 2.8 Cost was assessed in relation to the Pre-Tender Estimates. The moderation panel reviewed and considered the costs after moderating the Quality Criteria.
- 2.9 The winning tenderer, Green Frog Connect Ltd is a well-established (2012) contractor in this field, based in Somerset and is one of the UK's leading ICPs who focus on power generation and energy products.
- 2.10 The County Council had asked prospective tenderers to provide options for both a shorter cabling route and a longer cabling route. The County Council wishes to award the contract to Green Frog Connect Ltd for the proposed 3.5km shorter route. This is the most economically advantageous proposal and meets the project aspirations with regards to the project timeline.

3 Other options considered (and reasons for not proposing)

- 3.1 Alternative procurement options were discussed and ruled out. This included accessing a Dynamic Purchasing System (DPS), which was dismissed due to the fact a DPS is a live system and that suppliers change regularly, plus the access agreement to run the Call for Competition would have been an expensive option for WSCC.
- 3.2 The Open Tender has been a suitable route to market for this provision.

4 Consultation and engagement

Consultation on the final bid response has been carried out with the following parties:

- Legal
- Procurement
- Commercial Finance
- Multi-Disciplinary Partners

5 Finance

5.1 Revenue consequences

Although there are no immediate revenue consequences from the award of this contract, not having these works completed will impact on the projected revenue expected from the facility once operational.

5.2 Capital consequences

	Actual £000's	21/22 £000s	22/23 £000's	Total £000's
Current Capital Programme	600	2,500	6,431	9,531
Previously Committed				
Phase 1 Demolition Works	600			600
Current Proposal – Phase 2		2,643		2,643
Remaining Commitments				
Phase 3 – Main works			5,465	5,465
Contingency			823	823
Remaining Budget	0	-143	143	0

The current proposal can be met from the existing allocation within the approved Capital Programme, whilst maintaining a contingency for the main works within phase 3. The current profiling of spend will mean that there will need to be funding brought forward into 2021/22 to meet the commitments this year.

5.3 The effect of the proposal:

(a) **How the proposal represents good value**

The proposal has provided value to the Council because the procurement process was designed to derive the lowest price possible while not compromising on the quality of the provision.

On comparing the Pre-Tender Estimate with the Final Tender Submission, WSCC is confident the costs represent good value for money.

A fair, open, and transparent procurement process has been undertaken in line with the Public Contracts Regulations 2015.

(b) **Future savings/efficiencies being delivered**

The Tender for Phase 3, which is a Design & Build Procurement for the Battery Storage Facility is due to start shortly, and future savings and efficiencies are factored into the Procurement Strategy for the Design & Build tender. A Forward Plan notice and a subsequent officer key decision will be published.

(c) **Human Resources, IT and Assets Impact**

Not Applicable

6 Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
Risk of the contractor not delivering a quality product	The Tender Submission from Green Frog Connect Ltd will form the body of the contract, and the contractor will be held to account via the terms and conditions.
Risk of contractor not delivering in line with project timelines	The liquidated damages provision will give assurance that the programme of works will run to schedule.
Risk of not appointing a specialist contractor with prior experience	The procurement process was robust, with the suppliers vetted for their prior experience, commitment to compliancy and their suitability to deliver.

7 Policy alignment and compliance

Engaging a supplier to deliver the Contestable Works will contribute to the following priorities within [Our Council Plan](#):

A sustainable and prosperous economy - the scheme itself will support the local electricity grid with local subcontractors to undertake the works where possible.

Making the best use of resources- undertaking the cabling works for this project will fulfil the ambitions of making a redundant dangerous site into a valued public asset with a positive revenue outcome.

7.1 Legal Implications

There are limited legal implications to consider for this contract. The procurement process undertaken for this contract was a fair and robust procurement process with limited opportunity for legal challenge.

7.2 Equality duty and Human Rights Assessment

The project will have minimal direct implications for groups with protected characteristics but through the construction and operation period of the project it will ensure full regard for the public sector equality duty.

7.3 Climate Change

The project will be a landmark development for reuse of second-life electric vehicle (EV) batteries, thereby contributing to prudent use of resources.

There will be ecological enhancements made to the site through significant native hedge and tree planting. This will benefit local wildlife populations particularly on the northern, eastern, and southern boundaries.

In addition, this project is clearly aligned with the County Council's Climate Change Strategy and Energy Strategy, by supporting a sustainable and prosperous economy and making good use of a Council owned, previously redundant site.

7.4 **Crime and Disorder**

The site in question had become a target for anti-social behaviour and vandalism in the local community. This contract forms an integral part of a project that will turn what has been a derelict site with little development potential into a safe and secure site, generating revenue for the County Council.

7.5 **Public Health**

The net impact of this development on Health and Wellbeing is positive through natural habitat enhancement and improved visual amenity of a formerly derelict site alongside a popular walking route.

7.6 **Social Value**

The new contract has been tendered with consideration as to how the supplier will provide added social value, reflecting the County Council's duty under the Public Services (Social Value) Act 2012.

The contractor's Method Statement indicated that the company has ambitious Sustainability Policies and seeks to utilise local suppliers and labour where possible. This approach will reduce environmental impact and costs, support the local economy and be consistent with WSCC Sustainability & Energy Strategies.

Steve Read

Director for Environment & Public Protection

Contact Officer:

Tom Coates, Senior Energy Projects Manager

0330 2228717

Tom.Coates@westsussex.gov.uk

Procurement Officer & Author:

Davina Warwick, Category Manager Place

0330 222 3037

Davina.Warwick@westsussex.gov.uk

Appendices

None

Background papers

None