DECISION RECORD


Subject: A120 Bypass (Little Hadham) and Flood Alleviation
Staff Contact: Rupert Thacker
Tel: 01892 658176
Executive Member: Phil Bibby
Portfolio: Highways and Environment

1. Decision

To increase the letter of Intent to Graham Construction in respect to the A120 bypass project from £300,000 to £2,000,000 in advance of final contract award.

2. Reasons for the decision

The tender process for the A120 Bypass (Little Hadham) and Flood Alleviation concluded in Jan 2019 and GRAHAM Construction were announced as the preferred contractor on 7 Feb 2019. The tenders were based on contract award date in March 2019 and a contract start date of 24 June 2019. In parallel to the procurement process, the full business case submission to the DfT was delayed until April 2019 and therefore to ensure that the contractor’s tender price and programme could be secured, a Letter of Intent for £300k was issued on 25 Mar 2019 to enable contract mobilisation activities to commence.

The urgent issue that has now arisen is that although the full business case has been approved by civil servants, HCC are awaiting final confirmation from DfT of funding which has now been delayed further due to the extended purdah for the European elections and a formal announcement will not be made until after 24 May 2019 which will delay contract award and could put the tender price and programme at risk.

Therefore, in order to ensure that the contractor can maintain their programme and associated spend profile, the value of the Letter of Intent now needs to be extended to £2m to enable items such as, discharging planning conditions, seasonally sensitive works, elements of contractor led design and more significantly orders for steel sheet piles to be placed. By increasing the Letter of Intent to this value it will mitigate any consequential delay costs that HCC would be exposed to which are estimated at £350k. Equally, if the programme is further delayed, such that key construction activities are pushed into the winter period this could have significant programme and cost implications for HCC.

3. Alternative options considered and rejected

Not extending was considered but for the reasons above was rejected due to the risks it would place on the project.

Entering in to contact was considered but rejected as it would have significantly increased the authorities’ exposure to risk in advance of the final DfT award.
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4. Consultation
   (a) Comments of Executive Member
      Attached
   (b) Comments of other consultees

5. Following consultation with, and the concurrence of the Executive Member, I am proceeding with the proposed decision.

Signed:

Title: Head of Highways Strategy and Implementation

Date: 10th May 2019

6. Copies of agreed document to:
   - All consultees
   - Chairman, and Vice-Chairmen of the Overview and Scrutiny Committee
   - Hard & electronic copy available for public inspection both at County Hall and on www.hertfordshire.gov.uk Democratic Services - Room 213 County Hall.
     democratic.services@hertfordshire.gov.uk

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1. for guidance see Chief Legal Officer's note "Taking Decisions"
2. details of any alternative options considered and rejected by the officer at the time the decision was made
3. record any conflict of interest declared by any Executive Member consulted. If an Executive Member declares a conflict of interest DO NOT PROCEED without seeking advice from the Chief Legal Officer
4. If the matter has general significance for the Council and/or is, or is likely to be, controversial, then the officer shall consult the appropriate Executive Member before proceeding. In some cases it will be necessary to consult more than one Executive Member, and in some cases the Leader of the Council will need to be consulted
5. If the matter has local significance, but no general significance for the Council and no controversial aspects, the officer shall consult or inform the local member in writing (or by e-mail) and proceed. It is essential that all officers responsible for delivering services ensure that local members are kept well briefed on issues affecting their areas.