

Report to	Policy & Resources Committee
Date	21 September 2023
By	Performance and Projects Manager & Project Management Lead
Title of Report	Seven Sisters Sewage System Capital Works Project Procurement

Decision

Recommendation: The Committee is recommended to:

- 1. Note the current status of the Seven Sisters Country Park Sewage System Capital Works project;**
 - 2. Note the outline cost of £300,000 to fund the required capital works from the Invest to Save reserve;**
 - 3. Approve the commencement of a procurement process leading to the appointment of a contractor to undertake the required works to install a new Sewage Treatment System at Seven Sisters Country Park; and**
 - 4. Delegate authority to the Chief Executive to award the contract following a competitive process as described in this report subject to the receipt of the necessary permits and consents.**
-

1. Introduction

- 1.1** In July 2021 the South Downs National Park Authority formally acquired the Seven Sisters Country Park (SSCP) from East Sussex County Council. As part of the legal transfer information was exchanged about the status of the services at SSCP including the onsite sewage system. It was assumed that the existing system had been maintained and was functioning for its current use. Unfortunately, records were limited and a certain level of functionality had to be assumed.
- 1.2** The SDNPA took ownership in July 2021 and immediately started a programme of capital investment called Phase 1 at SSCP. This included a significant amount of ground work at Exceat including creating a new toilet block in the old workshop and significantly increasing the number of toilets onsite. Creating offices in the old dairy barn with toilet facilities for staff, renovating the visitor centre and creating a new grab and go in the old toilet block. As part of this work a review took place of the existing sewerage system and works were identified as needed for the future.
- 1.3** This report provides an update on the sewage system project and necessary capital works and seeks approval for the procurement process and a subsequent delegation of authority to the Chief Executive to award the contract.

2. Policy Context

- 2.1 Although much of the public procurement law in the UK derives from EU directives, it is incorporated into English law through the Public Contract Regulations (2015) Act, which remains in force. The UK has joined the Government Procurement Agreement, within the World Trade Organisation, through which it commits to maintain access to Government contracts to other member states. A bill on public procurement, which sets out a direction of travel for the future, is currently going through Parliament, but if passed, this will not be implemented until late in 2024.
- 2.2 The indicative value for the contract for the works proposed in this report is £300,000. This falls significantly below the threshold set out in the Public Contracts Regulations (PCR) 2015 for works contracts. The threshold applying from January 2022 is £5,336,937 (including VAT). The Regulations, other than Chapter 8, will not therefore apply to this procurement process.
- 2.3 Contract Standing Orders (CSO 10) applies to this contract. It is intended that an open process will be undertaken to procure the contract, with a single stage tender being advertised in England through the government's 'Contract Finder' portal.
- 2.4 Evaluation of the tenders is carried out in two stages.
- 2.5 The Selection Stage is where the capability of the contractor to satisfactorily carry out the contract is evaluated. This involves looking at the financial strength and other resources of the bidder, including its previous experience in carrying out similar works. There is no weighting or scoring in this stage of an open tender; contractors can either do the work or they can't, so this is judged on a pass or fail basis. As the selection criteria are described in the tender, it is unusual for bidders to fail at this stage, generally if they don't meet the criteria then they won't submit a bid.
- 2.6 The Award Stage is carried out using the Most Economically Advantageous Tender (MEAT) criteria for awarding the contract, using a combination of quality factors, for example Approach to the Contract and Project Resourcing as well as price. The evaluation panel will be looking at the sustainability aspects of any approach, as well as looking for proposals that will add social value to the contract.
- 2.7 Evaluation is carried out by a number of officers scoring independently, before meeting on a panel basis. The evaluation process will also allow for clarification questions to be received and responses produced on all aspects of bids before the award is made.

3. The Project background

- 3.1 As part of the Phase I construction work at SSCP a full assessment was made of the existing reed bed system which forms the existing sewage treatment system for the toilets at SSCP. This assessment concluded that the previous maintenance carried out by ESCC had been insufficient and that further work was needed to determine if the existing reed bed was functioning and if it could cope with the proposed new toilets under Phase I and existing visitor numbers.
- 3.2 The existing wastewater treatment system at SSCP comprises a primary settlement tank and a reed bed treatment system which discharges treated effluent into an adjacent drainage ditch, under an active discharge consent permit by the Environment Agency (EA), which flows into the nearby Cuckmere River.
- 3.3 The existing sewerage system services the waste water from the new main public toilet block, the turkey barn toilets, the grab and go, the staff toilets in the new dairy barn as well as the privately owned B&B onsite.
- 3.4 SDNPA commissioned ARM Group to undertake water sampling and monitoring over 6 months to determine the flows and capacities as well as pollutant loads being experienced on the site to enable us to identify all future options for the sewage treatment system. This survey took place between April and the end of September 2022. A full report including options for the existing reed bed was provided to SDNPA in October 2022.

- 3.5 The ARM report in October 2022 concluded that the existing system is not fit for purpose in terms of providing sufficient treatment capacity to reduce the influent pollutant loads and achieve final effluent water quality that complies with the sites existing regulatory environmental permit limits. Specifically, the capacity for solids removal and ammonia removal (nitrification) requires increasing as part of the system upgrade project. The environmental permit will also require a variation to increase the volumetric discharge limit.
- 3.6 The National Park Authority (NPA) received an update on the need to replace the sewage treatment system as part of the Invest to Save projects report at its meeting on 30 March 2023. At this meeting the NPA considered and approved the inclusion of SSCP Sewage Treatment System project at the estimated cost of £250,000 as part of the Invest to Save series of projects funded through the Invest to Save reserve.

4. Options & cost implications

- 4.1 The potential costs for an upgraded reed bed system were assessed to be between £400-500,000 and this would require regular maintenance and renewal every 10 years at a further cost of £200,000. The initial investment plus the ongoing future maintenance costs seemed prohibitive and other options needed to be looked at.
- 4.2 The SDNPA commissioned HOP a construction civil and structural engineering firm to assess the other viable options and outline costs available to us at SSCP. In January 2023 HOP provided us with an options report summarised below:
- 4.2.1 A septic tank would not be considered acceptable to the EA and the maintenance and emptying costs (which could almost be daily in high season) would make this unfeasible.
- 4.2.2 Connection to mains sewerage was also considered but would be a serious undertaking as there are no sewerage assets to connect to within 1km so costs would be likely to exceed £1 million.
- 4.2.3 The most appropriate and cost effective solution was identified as a self contained treatment plant. This consists of storage chambers that hold solid material and treat the liquid elements which are discharged into a piped outlet across to the existing outlet area in SSSI scrub. The discharge from this type of system is very controlled and as such can meet the EA permit requirements. The treatment plan would be buried underground adjacent to the existing reed bed (leaving that in situ to reduce costs of removal) and would enable future capacity improvements to be made as necessary.
- 4.2.4 The self contained treatment plant will require a new EA discharge license and consent from Natural England (NE) which officers are working with NE on. We have worked with the EA at all steps of this process and the chosen solution has their support as it is the best way of controlling the waste water discharged.
- 4.2.5 Following the amendment in July 2023 of Part 12 of the Town and Country planning (general permitted development) order 2015 it is considered that the treatment plant will not require a planning application, although surveys have been completed to provide due diligence regarding the site selection.
- 4.2.6 HOP have produced a design drawing to meet our specific capacity requirements and this has been costed for construction by a quantity surveyor. The outline costs for this option including professional fees is approximately £300,000. There will be ongoing waste collection and maintenance costs of between £500-2000 a year, for removal of solid waste which will vary depending on visitor numbers.
- 4.2.7 £250,000 was budgeted to this project as part of the Invest to Save reserve which the Authority agreed at the NPA meeting on 30 March 2023. The additional £50k, to increase the budget to £300,000, will be met through currently unallocated funds in the Invest to Save reserve, which are sufficient to cover the works. Due to the urgency of the works and the need for the works to, if at all possible, be completed during the visitor off-season it is vital that the procurement process be undertaken as soon as possible, therefore, the additional £50k capital works variation has been approved by the Chief Executive using urgent action at set out in the Authority's Standing Orders.

4.3 The need for this upgrade is becoming increasingly urgent with our increased visitor numbers at SSCP and there have already been several incidents of sewage backing up into the site as the existing system cannot cope.

5. Next steps

5.1 Following receipt of the HOP report the SDNPA have been collating the necessary ecology and ground surveys. A permit renewal has been submitted to the EA and further discussions with the EA are needed to progress this with them.

5.2 The Trading Company and site staff will be kept fully informed and are wholly supportive of these necessary works.

5.3 Following the approval of outline costs, SDNPA will finalise a specification and initiate a procurement process for the design and build works. The procurement process will take around 8 weeks from the issue of the invitation to tender to award, anticipating an award of contract in December 2023, and construction commencing at the start of 2024.

5.4 Construction has to be carried out with the existing system in-situ due to the ongoing needs of the site and B&B (which is a third party asset) and cannot be closed. Discussion will continue with both the EA for the new discharge permit and NE for their consent (as the discharge site is a SSSI). The consents are required prior to the new system being commissioned onsite.

6. Other implications

Implication	Yes*/No
Will further decisions be required by another committee/full authority?	No.
Does the proposal raise any Resource implications?	No. This is a contract management and project management role internally as all works will be completed by external consultants or contractors. SDNPA has sufficient resources in place, in terms of staff qualified to undertake the procurement exercise.
How does the proposal represent Value for Money?	After an assessment of options officers have identified the most cost effective option. The competitive tender process is aimed at delivering value for money.
Which PMP Outcomes/ Corporate plan objectives does this deliver against	This is crucial maintenance works to a SDNPA owned asset. Also contributes to PMP Outcome 5 and our high level targets of Nature Recovery and National Park for All.
Links to other projects or partner organisations	Environment Agency and Natural England
How does this decision contribute to the Authority's climate change objectives	Ensures our sewage system meets with the required environmental permit limitations.
Are there any Social Value implications arising from the proposal?	Tenders will be evaluated on the bidders' approach to social value in terms of how they could improve economic, social and environmental well-being through the delivery of the contract. This will be proportionate to the nature and value of the contract.
Have you taken regard of the South Downs National Park	Yes, the facilities at SSCP include provisions for those with disabilities which are adversely affected by the current sewage

Implication	Yes*/No
Authority's equality duty as contained within the Equality Act 2010?	treatments system being not fit for purpose. The procurement and terms of the contract will meet the requirements of the Equality Act 2010 and SDNPA's EDI Mission statement.
Are there any Human Rights implications arising from the proposal?	The selection process will examine the bidders' compliance with the laws on Modern Slavery.
Are there any Crime & Disorder implications arising from the proposal?	The probity of bidders will be examined as part of the selection process.
Are there any Health & Safety implications arising from the proposal?	The existing sewage flooding incidents are a cause of significant health and safety concern. This report aims to address that by replacing the existing system. The bidders' Health and Safety policies and records will be examined during the selection process.
Are there any Data Protection implications?	None

7. Risks Associated with the Proposed Decision

Risk	Likelihood	Impact	Mitigation
EA Permit / NE Consent / or other project delays lead to no new sewage treatment system before the 2024 spring/summer season	Possible	Moderate	Discussions have already started with the EA, NE so they are aware of our work and timelines. Early engagement with EA, NE, and procurement approval sought as soon as practically possible to ensure works can take place during winter 2023/24
Costs could exceed the outline provision when procurement is undertaken.	Possible	Moderate	An experienced quantity surveyor has costed the proposed design to provide a robust cost and a 10% contingency has been included.
Commercial Risk: that either the price objectives are not achieved up front, or there are other costs that arise during the contract that diminish the overall benefits. The contract will	Unlikely	2	A thorough tendering process will keep the risk of hidden costs to a minimum. A detailed specification of requirements will enable the contractor to accurately calculate their costs and price the contract realistically, therefore keeping changes to costs at a minimum.

Risk	Likelihood	Impact	Mitigation
be carried out during a period of severe economic downturn and insolvency on the part of the contractor is a risk.	Unlikely	3	There are provisions within SDNPA's Terms and Conditions of Contract to allow insolvency situations to be managed and financial standing will form part of the due diligence process. Neither of those is sufficient to eliminate this risk.
Technical Risk: this concerns the difficulty in being able to specify the desired outcome and on the market being able to deliver the specification.	Rare	1	Significant work has been undertaken in advance of the procurement process, including the receipt of expert advice, to ensure the most appropriate solution and the correct specification is identified.
Performance Risk: This concerns the ability of supplier to perform consistently over the life of the contract to deliver the planned benefits.	Possible	2	Relevant KPIs and associated targets will be agreed between SDNPA and the appointed contractor at the start of the contract, and regular contract management meetings held to ensure any performance issues are dealt with efficiently and effectively.
Contractual Risk: This covers things like being able to remedy the shortcomings in the contractors' performance without severely damaging the contract, and about avoiding reliance on the contracted supplier as the contract develops.	Possible	2	See mitigations for performance risk above. Proactive contract management should minimise performance issues. SDNPA's Legal Team would assist with any contractual issues if they arise.
Legal Risk: In Public Procurement there is a legal risk, where a procurement is found unsound in law, either through the	Rare	2	The use of professional procurement staff will help ensure that the contract process complies with both the Public Contract Regulations and SDNPA procurement rules.

Risk	Likelihood	Impact	Mitigation
remedies directive or the public procurement rules.			

LIZ GENT

Project Management Lead

South Downs National Park Authority

Contact Officer: Liz Gent

Tel: 01730 819238

Email: liz.gent@southdowns.gov.uk

SDNPA Consultees Chief Executive; Monitoring Officer; Head of Finance and Corporate Services; Head of Governance.

Appendices None

Background Documents None

