

Item No.	Classification: Open *	Date: February 2014	Decision Taker: Strategic Director of Children's and Adults. Services
Report title:		Gateway 2 - Contract Award Approval For pre-construction and construction works at Bessemer Grange Primary School appointment of design and build contractor	
Ward(s) or groups affected:		South Camberwell	
From:		Manager, Project Delivery Team	

RECOMMENDATION

1. That the Strategic Director of Children's and Adults' Services approves the award of the contract for pre-construction and construction works at Bessemer Primary School to the contractor and in the sum given in the closed version of the report, with a contract period of 38 calendar weeks commencing February 2014.

BACKGROUND INFORMATION

2. On 31 October 2013 the Strategic Director of Children's and Adults Services approved the procurement strategy for the design and build for the expansion classrooms of Bessemer Grange Primary School.
3. The approved Gateway 1 Report is attached as Appendix 1
4. In November 2013 the Strategic Director of Children's and Adults' Services approved the procurement of Lend Lease Consulting (EMEA) Limited to provide professional services to develop and support the delivery of expansions at Bessemer Grange primary school, following a competitive process using the iESE framework.

Procurement project plan (Key decisions)

Activity	Completed by/Complete by:
Forward Plan for Gateway 2 decision	February 2014
Approval of Gateway 1: Procurement Strategy Report	31/10/2013
Invitation to tender	09/10/2013
Closing date for return of tenders	27/11/2013
Completion of evaluation of tenders	16/12/2013

Activity	Completed by/Complete by:
DCRB/CMT Review Gateway 2:	08/01/2014
Notification of Planning decision	14/01/2014
Notification of forthcoming decision – Five clear working days	14/02/2014
Approval of Gateway 2: Contract Award Report	14/02/2014
Scrutiny Call-in period and notification of implementation of Gateway 2 decision	24/02/2014
Award of Contract	25/02/2014

KEY ISSUES FOR CONSIDERATION

Description of procurement outcomes

5. The outcome of this procurement will be to increase Bessemer Grange Primary School by 1FE to a full 3FE school by the addition of six classrooms and associated teaching spaces together with the provision of a Multi Use Games Area and general improvements to landscaping.

Key/Non Key decisions

6. This report deals with a key decision

Policy implications

7. This scheme is part of the primary planning and investment strategy which is fully aligned to local planning and policy frameworks including the Council Plan, and Children and Young People's Plan. These outline the council's continued commitment to supporting schools to be outstanding, with children and young people able to achieve their full potential, and parents able to exercise real choice in a high-performing local schools system.

Tender process

8. The procurement route followed was via competitive tender from contractors selected with reference to the financial range and relevant expertise required from the list of general contractors on the Council's Approved List of Contractors (CSO 5.3) and invited to submit a tender under the JCT 2011 Design and Build form of contract.

Tender evaluation

9. The tender evaluation was carried out on the basis of the most economically advantageous tender, balancing price and quality submissions on a 70/30 price quality weighting.

10. Information on the design and specification was developed by the consultant team, together with the overall scheme proposals for issue to the contractor named in the closed version of this report in the form of employer's requirements.
11. A proposed contract sum for works given in the closed version of this report was submitted as Contractor's Proposals to the consultant quantity surveyor for evaluation on 27 November 2013. This was based on a contract period of 38 calendar weeks commencing in February 2014
12. The quality submissions have been assessed by the Project Design Team and the Project Manager in Southwark Property. The tenderers were asked to provide a submission including the following:-
 - a) available resource – proposed team; references
 - b) project understanding – relevant experience; outline assessment of risk
 - c) technical – proposals to deliver the scheme; programme; sustainability and BREEAM; design development; logistics and construction methodology; costs and value engineering.
13. The combined score together with the price was then used to rank the respondents.
14. The Contractor's contract sum analysis was evaluated by the consultant quantity surveyor, who is satisfied that a bona fide price submission has been made and that this is competitively priced, represents good value for money and is consistent with the allowances in the cost plan for the overall project, upon which the project budget is based.

Plans for monitoring and management of the contract

15. The role of project client, including the management and administration of the consultant and contractor appointments, will continue to be run and resourced through the Project Services Delivery Team programme office from within Property Services, Regeneration. Progress with the contract works and performance of the consultant team will be subject to constant scrutiny and monthly formal review, including cost, programme and quality. The experienced officer client team will use a number of mechanisms for monitoring and controlling the financial and programme performance of the contract, including:
 - Strategic cost plan, which will be regularly reviewed and updated
 - Monthly financial statements by the consultant quantity surveyor/contractor
 - Monthly appraisals of progress against the contract programme
 - Monthly progress reports by:
 - The lead consultant
 - Main contractor
 - Other design consultants
 - Monthly progress meetings on site
 - Daily tracking and chasing action on critical issues
 - Monthly 'look ahead' meetings with principals / directors
 - Periodic project team 'look ahead' workshops covering key phases of work

- and risks
- Risk and issues log

16. Overall Project progress will be reported to and monitored by the Children's and Adults' Services Capital Monitoring Group.

Identified risks for the new contract

Risk		Management
Delay in obtaining/failure to obtain statutory consents, e.g. planning.	Low	Set realistic timescales for preparing, submitting and determining applications. School and design team have held drop in sessions to inform and liaise with local residents to pre-empt any objections.
Non delivery of expansion capacity as a result of preconstruction delays by the professional consultant and/or contractor	Low	Provide clear information or milestones to the contractor in the selection process and obtain proposals for achieving milestones on their quality submissions.
Works being carried out with school in occupation	Low	The building works are being carried out on an adjacent, vacant site to the main school. Deliveries to take place outside of times of the main start and end of school day.
Construction delays on site	Low	Pre-order components with long delivery period. Ensure that site operations are thoroughly and realistically planned by the contractor prior to commencement of the works.
Failure to meet deadline for project	Low	The successful tenderer has been asked to submit full details of their approach and programming of the project. The programme will be continuously monitored against the key milestones

Possible claims for unforeseen works and re phasing of works if demanded	Low	It is recommended that a client contingency should be retained within the project budget.
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Community impact statement

17. The contractor will carry out the works under the Considerate Contractor scheme which seeks to minimise disturbance and disruption to people in the locality.
18. The increase in school places will enhance the choice of local parents and carers for school places from the academic year September 2014/15

Economic considerations

19. The value of the works is such that it is not considered viable or reasonable to require contractors to engage in local employment initiatives or apprenticeship schemes.

Social considerations

20. The appointed contractor will pay their employees and sub-contractors not less than the current London Living Wage levels. Environmental considerations
21. BREEAM requirements will cover design and specification and will set targets for minimising the adverse environmental impact of carrying out the works.

Market considerations

22. The successful tenderer
 - is a private organisation.
 - has a national area of activity
 - Has over 250 employees
 - Will employ all staff engaged at the current prescribed London Living Wage levels

Second stage appraisal

23. A check on the financial standing of the contractor was undertaken in December 2013. The company is considered to be very low risk.

Legal implications

24. As the value of the contract falls below the current EU works threshold and there are no significant risks a formal legal concurrent is not required.

Consultation

- 25. Consultation has been carried with the school throughout to agree the scope and timescale for the works.
- 26. The scheme has been subject to planning process. The contract cannot be awarded until the Approval is granted.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Corporate Services

- 27. This report is requesting approval from the Strategic Director of Childrens and Adults' Services, subject to planning consent, to award the contract for pre-construction and construction works of Bessemer Grange Primary School following a tender evaluation process.
- 28. It is noted that the total cost of this project is to be met from the expansion programme funded from existing DfE grant. Officers should ensure that budgets for the contracts are established and profiled on the council's financial information system for effective monitoring and reporting.
- 29. It is also noted that the associated revenue costs arising through the delivery of the programme will be funded from the allocation of Dedicated Schools Grant and the school will be responsible for any ongoing revenue costs.
- 30. Staffing and any other costs connected with this contract to be contained within existing departmental revenue budgets.

FOR DELEGATED APPROVAL

Under the powers delegated to me in accordance with the Council's Contract Standing Orders, I authorise action in accordance with the recommendation(s) contained in the above report.

Signature *Ross Owen* Date 18.2.14
Designation *SDCS*

BACKGROUND DOCUMENTS

Background documents	Held At	Contact
Primary Strategy for Change	Strategy and Planning Children's and Adults Services	Martin Wilcox ext 55018

APPENDICES

No	Title
Appendix 1	Gateway 1 Report
Appendix 2	Tender Report

AUDIT TRAIL

Lead Officer	Andy Brown, Manager Project Delivery Team	
Report Author	Susan Fuller, Project Manager.	
Version	Final	
Dated	22 January 2014	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Head of Procurement	No	No
Director of Legal Services	No	No
Strategic Director of Finance and Corporate Services	Yes	Yes
Cabinet Member	No	No
Contract Review Boards		
Departmental Contract Review Board	Yes	No
Corporate Contract Review Board	Yes	No
Date final report sent to Constitutional/Community Council/Scrutiny Team	N/A	

BACKGROUND DOCUMENT – CONTRACT REGISTER UPDATE - GATEWAY 2

Contract Name	Contract Award Approval for the pre construction and construction works at Bessemer Grange Primary School.
Contract Description	Contract Award Approval for the appointment of the contractor to carryout pre construction and construction works at Bessemer Grange Primary School
Contract Type	JCT Design and Build 2011
Lead Contract Officer (name)	Susan Fuller
Lead Contract Officer (phone number)	55037
Department	Chief Executive
Division	Regeneration & Neighbourhood
Procurement Route	Tenders
EU CPV Code (if appropriate)	
Departmental/Corporate	Departmental
Fixed Price or Call Off	Fixed Price
Supplier(s) Name(s)	
Contract Total Value	£
Contract Annual Value	
Contract Start Date	February 2014
Initial Term End Date	December 2014
No. of Remaining Contract extensions	
Contract Review Date	
Revised End Date	
Comments	

