

Item No.	Classification: Open	Date: 04 March 2020	Meeting Name: Strategic Director of Children's and Adult's Services
Report title:		Gateway 2 - Approval for Main Works on the Rotherhithe Primary School expansion scheme	
Ward(s) or groups affected:		Rotherhithe	
From:		Head of Regeneration – Capital Works and Development	

RECOMMENDATION(S)

1. That the Strategic Director of Children's and Adults' Services approve the award for the main works contract of the expansion scheme of Rotherhithe Primary School to Farrans Construction Limited, for a contract sum of £15,464,816 for a period of approximately 90 weeks commencing on 24 April 2020.
2. Please refer to the Closed version of this report for Recommendation 02

BACKGROUND INFORMATION

3. In November 2016 Cabinet agreed to secure a budget of £20,200,000 for the redevelopment and expansion of Rotherhithe Primary School on the existing school site.
4. On 21 March 2017 a Gateway 1 report presenting a proposed Procurement Strategy was approved by Cabinet for both the professional team and the subsequent appointment of a main works contractor. The Gateway 1 included approval from Cabinet to delegate the Gateway 2 decisions for this project to the Strategic Director of Children's and Adult's Services.
5. In November 2017, a Gateway 2 for the professional services team was approved.
6. This scheme was granted Planning consent on 5 April 2019.
7. This Gateway 2 is to award the Main Works contract, to cost £15,464,816 to Farrans Construction. As approved in the GW1 report, the procurement process followed has been an EU Restricted process (OJEU) that commenced in June 2019.
8. Rotherhithe Primary School is a thriving, successful and popular local authority run primary school. The existing single-storey school buildings were largely constructed in 1971 and have gone past their useful life, having been added to and repaired in an ad-hoc way, to suit the school's requirements over the years. The buildings and their exhausted fabric now compromise its function, and their refurbishment was not considered viable.
9. The proposed works will enable the school to expand from a 2 Form of Entry (FE) to 3FE in a modern, purpose-built building. The new scheme will be delivered in

two phases allowing the existing building to remain in operation throughout the construction phase. Through this project the existing school will be entirely replaced; the current buildings demolished; new facilities and playground spaces will be created, and the school expanded.

10. Enabling Works (which have been subject to separate reporting) were completed on site over the summer holiday period in 2019 in order to facilitate the Main Works contractor to start build works for the new school upon appointment, thereby minimising any disruption to the staff and pupils during term time, and improving the delivery time for the Main Works Contract.

Procurement project plan (Key Decision)

Activity	Completed by/Complete by:
Forward Plan for Gateway 2 decision	08/11/2019
Briefed relevant cabinet member (over £100k)	24/02/2020
Approval of Gateway 1: Procurement Strategy Report	15/11/2017
Invitation to tender	11/11/2019
Closing date for return of tenders	17/01/2020
Completion of evaluation of tenders	11/02/2020
CCRB Review Gateway 2:	20/02/2020
CAB DCRB Review Gateway 2:	04/03/2020
Notification of forthcoming decision – Five clear working days	16/03/2020
Approval of Gateway 2: Contract Award Report	24/03/2020
Scrutiny Call-in period and notification of implementation of Gateway 2 decision	01/04/2020
Debrief Notice and Standstill Period (if applicable)	23/04/2020
Contract award	24/04/2020
Add to Contract Register	27/04/2020
Contract start	22/05/2020
Publication of award notice in Official Journal of European (OJEU)	27/04/2020
Publication of award notice on Contracts Finder	27/04/2020
Contract completion date	31/01/2022

KEY ISSUES FOR CONSIDERATION

Description of procurement outcomes

11. This procurement will allow the delivery of a new 3FE primary school, to accommodate approximately 630 pupils in addition to a 60 place integrated nursery.
12. The form of contract agreed between the contractor and the Council, and as specified in the Invitation to Tender (ITT), is the Joint Contracts Tribunal (JCT) Standard Building Contract 2016 (with Quantities) with London Borough of Southwark specific amendments. This is a Traditional Contract.

Key/Non Key decisions

13. This report deals with a key decision.

Policy implications

14. Southwark Council is committed to providing a fairer future for all. This project will help to achieve this vision by delivering on the following commitments:
 - a. Theme 2 – A place to belong
 - b. Theme 3 – A greener borough
 - c. Theme 5 – A healthier life
 - d. Theme 6 – A great start in life
 - e. Theme 7 – A safer community
 - f. Theme 8 – A vibrant Southwark
15. By providing an inspirational modern building that suits their needs and makes a positive contribution in support of their curriculum, this project will also facilitate a civic presence to the local context creating a place for wider social interaction with residents and a social resource for the community.
16. This award supports the aspirations and commitment of the Council to demolish the existing dilapidated and deteriorating school building. The proposed new school has been designed and developed to support the specific needs of Rotherhithe Primary School, and has involved regular input and feedback from the school headteacher, teaching staff, as well as the school governing body.

Tender process

17. The OJEU contract notice was published on 26 June 2019 informing interested parties of the intention of the London Borough of Southwark to procure the Rotherhithe Primary School Main Works via a Restricted OJEU process.
18. The Selection Questionnaire (SQ) was subsequently published on 28 June 2019, and the period for expressing interest and a completed SQ closed on 26 July 2019. 13 tenderers submitted valid SQ responses and were assessed for shortlisting.
19. Scores awarded to the tenderers are available in the Closed version of this report.
20. Five top scoring companies were shortlisted (details available in the Closed version of this report). This is in accordance with the evaluation methodology within the GW1 report stating that no less than five contractors would be progressed to the ITT stage. The project team agreed that the top five contractors would be an appropriate shortlist.

21. All five shortlisted companies were kept informed of the dates to publish the tender documents, and were invited to tender via Pro-Contract on 11 November 2019
22. The tender return date was initially set for 20 December 2019, but this was later extended to 17 January 2020 following requests from tenderers to allow for adequate time for feedback on pricing from their sub-contractors.
23. Compliant tenders were received from three tenderers on 17 January 2020.

Tender evaluation

24. The GW1 report suggested a 70:30 cost to quality ratio as part of the evaluation methodology, however, this provided a higher risk to the project from a design quality perspective; as such a 60:40 ratio was considered appropriate and this was stated in the ITT documents as part of the final evaluation methodology.
25. Tenderers were required to submit responses to 18 quality questions within the Invitation to Tender. This was evaluated along with their price submissions as follows:
 - a. Quantitative Submissions/Financial Implications – 60%
 - b. Qualitative Submissions – 40%

Quantitative Submissions

26. The pricing documents received were subjected to arithmetic and technical checks by the project cost consultant from Faithful+Gould.
27. Following post-tender clarifications and error checking (completed by the cost consultant), tender prices received can be found in the Closed version of this report.
28. Please refer to the Closed version of this report for summary of each tenderer's quantitative submission.
29. As outlined in the ITT documents, the tender prices submitted were converted into percentage score according to the following methodology:
 - a. Tender prices were divided into three parts according to the following criteria:
 - i. Price of the Bill of Quantities and pricing of CDP (Contractor's Design Portion) elements;
 - ii. Price of the provisional sums
 - iii. Statement of Supporting Cost Assumptions
 - b. Each part was given a percentage score according to the following formula:
(lowest price submitted for this part / tenderer's price for this part) X percentage weighting
 - c. A score was given for a statement supplied by the tenderer supporting any costing assumptions made, consisting of marks out of 5 multiplied by a percentage weighting.
30. The final costing results can be found in the Closed version of this report.

Qualitative Submissions

31. All three tenders were scored for quality by representatives from the Architect's team at Feilden Clegg Bradley Studios, the Structural consultants at Waterman, the PM, CDM and cost consultants at Faithful + Gould, Southwark Procurement and Regeneration.
32. Quality scores were obtained by assessing each contractor's responses to 18 questions in the invitation to tender. The scoring was then subjected to a moderation meeting on 24 January 2020, which was also attended by the Procurement Business Partner of the LBS Procurement team.
33. Following the moderation meeting, clarifications were sent back to the tenderers on 24 January, and they were provided with a deadline of 30 January 2020 12 noon by which to respond in full. These responses were then reviewed by the project team ahead of the post-tender clarifications meeting.
34. The three tenderers were invited to a clarifications meeting on 3 February, which they all attended. This session was attended by representatives from the architect's team, M&E, Structural consultants, Faithful + Gould PM and cost consultant, Regeneration Project Manager and Procurement Business Partner as well as the Executive Headteacher of Rotherhithe Primary School. The final moderation to scores was made, and resulting quality scores are as follows:

Quality Criteria		Maximum Score	Farrans Construction		Tenderer 01		Tenderer 02	
			Moderated Score	Weighted Score	Moderated Score	Weighted Score	Moderated Score	Weighted Score
1	Delivery Programme	5	4	8.00%	3	6.00%	2	4.00%
2	Design & Quality	5						
a	CDP proposal		3	6.00%	4	8.00%	3	6.00%
b	Quality through build		3	3.00%	4	4.00%	3	3.00%
c	Info release schedules review		4	4.00%	4	4.00%	3	3.00%
d	Quality & compliance of works		3	3.00%	3	3.00%	3	3.00%
e	Approach to defects		3	3.00%	4	4.00%	3	3.00%
3	Design & Quality – Using BIM and coordination with consultants		2	2.00%	2	2.00%	2	2.00%
4	Health & Safety – Awareness of Council's requirements	Pass/Fail criteria	PASS	-	PASS	-	PASS	-
5	Health & Safety – Approach to managing H&S on site	5	4	8.00%	3	6.00%	3	6.00%
6	Risk, Project Methodology & Resources – Construction Method Statement and satisfying Planning Condition 3	5	4	8.00%	3	6.00%	3	6.00%
7	Risk, Project Methodology & Resources – Risk Register, top 5 operational risks	5	3	3.00%	3	3.00%	4	4.00%
8	Risk, Project Methodology &	5	2	2.00%	3	3.00%	3	3.00%

Quality Criteria	Maximum Score	Farrans Construction		Tenderer 01		Tenderer 02			
		Moderated Score	Weighted Score	Moderated Score	Weighted Score	Moderated Score	Weighted Score		
9	Resources – Organisational chart Risk, Project Methodology & Resources – Supply chain management & best value	5	3	3.00%	3	3.00%	3	3.00%	
10	Risk, Project Methodology & Resources – Fire safety	5	3	3.00%	4	4.00%	3	3.00%	
11	Social Value – Key stakeholders & liaison/consultation	5	3	2.40%	3	2.40%	3	2.40%	
12	Social Value – Working with the school to ensure wellbeing	5	4	4.00%	3	3.00%	4	4.00%	
13	Social Value - Apprentices	5	4	2.40%	3	1.80%	3	1.80%	
14	Social Value – Trade Union membership support	5	4	2.40%	2	1.20%	2	1.20%	
Total weighted score				67.20%			64.40%		
Final Weighted Quality Score (out of 40%)				26.88%			25.76%	23.36%	

Summary

35. As outlined above, the best value evaluation of each tenderer was obtained by combining the cost and quality scores in the proportions 60% for cost and 40% for quality. The resulting 'best value' scores are as follows:

Contractor	Farrans Construction	Tenderer 01	Tenderer 02
Weighted Quality Score (out of 40%)	26.88%	25.76%	23.36%
Weighted Cost Score (out of 60%)	58.79%	59.00%	55.52%
Compliance Documents completed	Yes	Yes	Yes
Final Score (out of 100%)	85.67%	84.76%	78.88%

36. As noted in the paragraphs above, the three tenders have been evaluated on the basis of both quality and financial criteria. As a result of this evaluation, Farrans Construction were rated highest with 85.67%.

37. Farrans have demonstrated a better awareness of the site logistics required for a project of this scale and made cost allowances in keeping with this. This indicates a higher level of cost certainty for their tender price.

38. Farrans Construction's quality response was viewed by the Tender Evaluation Panel as being the most detailed and suitable for delivery of a traditionally procured project, with a strong response to their programme delivery and construction methodology approach as well as social value to be adopted for the scheme.

39. Farrans provided the highest score in the qualitative response, and were also able to provide the most comfort to the Council from a cost perspective. They were able to provide robust and well thought out responses to queries put forth by the Executive Headteacher at the post-tender clarifications meeting, inspiring confidence in their processes and relationship management skills.
40. Following the tendering process, the recommendation is that Farrans Construction are the most suitable contractor for this scheme, and the contract for Main Works on Rotherhithe Primary School's expansion project be awarded to them.

Plans for the transition from the old to the new contract

41. Not applicable – this is a new standalone construction contract.

Plans for monitoring and management of the contract

42. The form of contract will be the Joint Contracts Tribunal (JCT) Standard Building Contract 2016 (with Quantities) with Council specific amendments. The Contract Administrator will be Faithful+Gould, acting on behalf of the Regeneration Capital Works and Development team.
43. Faithful+Gould will also provide quantity surveying services for effective cost control of the contract.
44. An independently appointed Clerk of Works, reporting directly to Regeneration Capital Works and Development, will provide weekly reports on the progress of work on site, and that the work is being completed as per the specifications as set out by the Design team.
45. Construction quality will be monitored by Feilden Clegg Bradley Studios, the architects on this scheme.
46. Progress of construction will be formally monitored via monthly progress meetings, attended by client officers from the Regeneration PM, the Contract Administrator, Clerk of Works, the Contractor, the Executive Head-teacher or suitable senior staff at Rotherhithe Primary School, the architects, the quantity surveyor and other members of the project team as appropriate.
47. As this is a traditional contract this allows the design team to retain control of detailed specification and final execution of the design intent, in conjunction with the Contract Administrator and overseen by the Regeneration Project Manager.
48. The project will be resourced through the Regeneration Capital Works and Development team, reporting to a project board chaired by the Head of Regeneration. The performance of the project team will be subject to formal monthly reviews, including reviews on cost, programme and quality. In addition, the officer client team will use a number of mechanisms for monitoring and controlling the financial and programme performance of the contract, including:
 - a. Strategic cost plan, which will be regularly reviewed and updated;
 - b. Weekly reports by the Clerk of Works;
 - c. Monthly financial statements by the consultant quantity surveyor and contractor;
 - d. Monthly appraisals of progress against the contract programme;

- e. Monthly progress reports by:
 - i. The lead consultant
 - ii. Main Contractor
 - iii. Other design consultants
- f. Monthly progress meetings on site;
- g. Tracking and chasing actions on critical issues;
- h. 'Look ahead' meetings with principals/directors;
- i. Periodic project team 'look ahead' workshops covering key phases of work and risks;
- j. Risk and issues logs;
- k. Regular Project Board meetings;
- l. Monitoring reports to CAB and CCRB as required by Contract Standing orders.
- m. Regular updates to Children's Services Capital Programme and Place Planning Board.

49. The procedure for expenditure of any sums from the contingency allowance will be subject to agreement with the Director of Education prior to expenditure, as required.

Identified risks for the new contract

50. The following risks have been identified for this contract:

No.	Risk	Risk level	Mitigating action
1	The contractor fails to deliver the exacting quality of build required for this project	Low	Prominence has been given to build quality capability in the evaluation of tenders. Farrans Construction, the contractor recommended for appointment scored the highest quality response as they have demonstrated the requisite attributes for successful delivery.
2	The contract cost increases due to unforeseen additional work or delays resulting from unforeseen events	Medium	A contingency allowance is held in reserve, and will be deployed only after approval from the Director of Education.
3	The contract period may increase due to delays resulting from unforeseen events	Medium	Regular progress meetings will be held with the Contractor and risk register will be reviewed to ascertain any potential slippage of work on site. Any risks will be escalated as required and ways to resolve this put in motion.
4	Contractor becomes insolvent during contract period	Low	A second stage financial appraisal of Farrans conducted in Feb 2020 has indicated a 0.9% likelihood of failure.

Other considerations

51. There were no other considerations.

Community impact statement

52. The new building will greatly improve the work of the staff of Rotherhithe Primary School, in helping the borough's young and keen minds to learn and play in a vibrant and creative atmosphere, thereby helping them to attain their full educational potential.
53. The new Rotherhithe Primary School will take its primary access from Hawkstone Road, and sits well set back from Rotherhithe New Road. This will help to provide a civic presence to the local community in the middle of which it is situated.
54. Farrans have committed to provide local employment via regional recruitment of labour, including offering apprenticeships to local residents.
55. To facilitate ease of communication, Farrans have committed (as part of their tender response) to set up and operate a 24/7 customer care helpline and a dedicated email address. Details of these will be advertised widely across the community and key stakeholders. All contacts will be recorded, reported upon and evaluated to identify trends and implement actions to prevent problems recurring.
56. Farrans have stated that they will work with the school towards a creative use of site hoardings in order to convey general information of interest to members of the local community. This will also include safety information, contact details, updates on work progress, example of community engagement activity and "you said, we did" notices, to demonstrate responsiveness to public feedback.

Social Value considerations

57. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the well being of the local area can be secured. The social value considerations included in the tender (as outlined in the Gateway 1 report) are set out in the following paragraphs in relation to the tender responses, evaluation and commitments to be delivered under the proposed contract.
58. As part of their tender response, Farrans have demonstrated previous experience of working on a live site environment on educational projects. They have committed to their Health & Safety plan being developed using the current ITT information, agreed plans and prelims, and will be fully compliant with Southwark Council's Construction and Demolition Guidance Notes, BREEAM and all planning conditions.
59. A strategy and delivery plan will be informed by a Contract Protocol document, drafted and agreed in partnership with the Council, which will establish the underpinning behaviour expected as part of contract delivery. It will also ensure consistency of message and tone of voice across all forms of communication.

Economic considerations

60. Farrans Construction will be required to deliver direct benefits to the local community and local residents. Their commitments are set out in the paragraphs below.
61. On the Rotherhithe Primary School contract, Farrans have committed to employing 15 apprentices during the period of works for durations to be agreed.

62. As part of their tender response, Farrans have committed to seek to retain all apprentices (employed either directly or by our subcontractors) by ensuring they undertake a structured training process wherein they will learn the skills, knowledge and behaviours required to achieve their qualification. They have committed to work with an external training provider from the local area and with a strong track record of Ofsted quality compliance to support the process from start to finish.
63. Farrans Construction is a member of the 5% Club, which means that they pledge that at least 5% of employees are “earning and learning”. They have currently exceeded this, with 6.3% of their workforce undertaking apprenticeships. Some of their apprenticeships on this contract will include the following construction skills: Bricklayer, Scaffolder, Floor Layer, Groundwork, Fitted Furniture Installer, Carpentry/Joinery, Painting and Decorating. They will also recruit apprentices in Mechanical and Electrical Engineering. They will engage with the Institute of Civil Engineers (ICE) to recruit one or more apprentices registered on an ICE Apprenticeship framework. In addition, they have committed to creating a role for a Business Administration apprentice to work in the site office and will cascade their commitments to supply chain to ensure their recruitment practices match Farrans’ and they are able to support the apprenticeship employment targets on this contract. These apprentices will be paid the London Living Wage for apprentices, depending on their age.
64. As well as a contract of employment, an Apprenticeship Agreement will also be drafted and signed by Farrans, stating the qualification to be followed and setting out commitments from all parties involved.

Social considerations

65. The Council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, our contractors and subcontractors pay staff at a minimum rate equivalent to the LLW rate. Following award, quality improvements and cost implications linked to the payment of LLW will be monitored as part of the contract review process.
66. Farrans have committed that opportunities will be promoted through local networks and social media channels, in addition to the National Apprenticeship Service website. They will attend careers event and College open days locally to attract young people to apply for vacancies. They have also committed to advertise with Jobcentre Plus, as well as other Welfare to Work companies and agencies in order to reach unemployed individuals and BAME candidates. These could include ‘Get into Construction’ events with the Princes Trust and the National Women into Construction network which seeks to improve gender balance in the sector.
67. In line with their Gold Investor in People accreditation, Farrans Construction also ensure a full commitment to Equal Opportunities and Labour Relations, where their employment policies are developed in line with trade union recommendations and construction industry standards, cognisant of any changing legislation.
68. As part of their commitment to building the new school, Farrans Construction have confirmed on their tender that they will be fully compliant with the Council’s recognition and support of Trade Unions, in line with the Council’s published Construction Charter. They will ensure that the site management team advocate the Council’s belief that the “presence of trade union safety representatives can

significantly improve safety in the workplace". The site management team on Rotherhithe will encourage both direct employees and supply chain partners to work collaboratively with trade unions in order to identify and implement all reasonable and practicable measures to improve and sustain safety on site, and will ensure all trade union accredited representatives are granted appropriate access and facilities on-site in order to carry out their responsibilities, maintaining appropriate communication with the Council at all times.

69. The completed works will benefit the local community from improved access to community facilities; for example, multi-use games areas (MUGA) as well as a dining hall are being provided in the public-facing part of the new Primary School that can be hired out to the local community for events and gatherings, subject to the availability of these areas.
70. Farrans Construction have certified in their returned tender that they 'are not in breach of the requirements under Regulation 3(1) of the Employment Relations Act 1999 (Blacklisting) Regulations 2010'.

Environmental/Sustainability considerations

71. The new building has been designed to a BREEAM 'Very Good' Standard.
72. As per the BREEAM Very Good requirements Farrans have committed to complying with all requirements to achieve a minimum required score of 40 in the Considerate Constructors Scheme assessment.
73. Farrans and their approved supply chain will undertake full responsibility and monitoring activities to assist in achieving the required BREEAM Very Good Rating at Rotherhithe Primary School. As part of their responsibilities they will ensure appropriate procurement routes are sought, construction activities recorded and monitored, handover, training, commissioning completed and documented in line with the BRE's requirements for this assessment.
74. A Rotherhithe specific Southwark guidance compliant Construction Environmental Management Plan will be developed by Farrans' Environmental Manager before site possession.
75. CO² arising from construction activities will be logged and monitored for the duration of the project. Where possible separate meters will be set up to differentiate the consumption of offices compared to plant use on site. These figures will be reported against targets and training or awareness sessions delivered to all personnel on site in a drive to save energy. This information will be recorded onsite on a weekly basis using Farrans' in house system and upon completion, these records along with the required BREEAM calculations and summaries will be presented to the assessor.
76. All waste will be monitored and recorded within the Southwark Waste Management Plan (SWMP). The SWMP will be kept up to date for review by the Site Manager, internal and external auditors, Client and the Environmental Regulator.
77. A project specific site waste management plan will be developed; waste hierarchy will be implemented at first point to ensure that waste is prevented at source, followed by the rest of the hierarchy reduce, reuse, recycle, disposal as last option for source. Waste targets will be set in line with BREEAM construction waste management requirements. Waste will be segregated on site to ensure

contamination of material is eliminated. Farrans seek to report a recycling rate in excess of 90%.

78. A monthly update on forecasted waste against actual and achieving Key Performance Indicators (KPI's) will be documented for reference in progress meetings and BREEAM evidence, as required.

Market considerations

79. This OJEU procurement process followed on this project has indicated competitive market pricing between all contractors based on the specification of works provided as part of the ITT documents, and is therefore considered to provide the best value to the Council.

80. Farrans Construction is an established building and civil engineering contractor with operational interests throughout the UK, Ireland and Europe, trading as a division of their parent company Northstone (NI) Limited, (Registered No. 4078) whose registered office is at 99 Kingsway, Dunmurry, Belfast, BT17 9NU

81. A subsidiary of CRH plc, Farrans Construction operates across both civil engineering and building divisions, with more than 500 employees.

Staffing implications

82. This contract award will be managed by the Regeneration – Capital Works and Development team within the existing allocated Council resources.

Financial implications

83. Please refer to the Closed version of this report.

Investment implications

84. This award supports the aspirations and commitment of the Council to demolish the existing dilapidated and deteriorating school building.

Second stage appraisal (for construction contracts over £250,000 only)

85. A second stage appraisal for Farrans yielded an overall 'Good' score, and the following comments from Finance: Very large company with large turnover. Very good mint score and low chance of failing. Profitable over the last three years. The company is highly geared, but has high levels of retained earnings and is profitable which suggests this should not be an issue.

Legal implications

86. Please see Legal concurrent report from the Director of Law and Democracy in the Supplementary Advice section ahead.

Consultation

87. Over the course of the design, development and planning process, there has been extensive consultation with the School staff and management team as well as with

the wider school community, parents, carers, family members, as well as the school governing board.

88. A public consultation drop in event was held prior to submission of the Planning application and prior to this, there was engagement with local stakeholders such as the neighbouring residents, local TRA's, the neighbouring medical centre, and Friends of Southwark Park.
89. A separate briefing was conducted for the school staff to provide their feedback and ask questions with regards to the new school building and the development.
90. Similarly, a focussed presentation was held for the school parents and carers by the project team, to voice any concerns they might have.
91. The project team have attended a number of School Governor briefings to provide updates regarding the new school building to the governing body.
92. The project team have been in regular contact with the executive headteacher and her deputy as well as with the Facilities Manager at the school. This relationship is considered vital as the school expansion project moves into the construction stage.
93. As part of the tender response, Farrans have committed to conduct effective stakeholder consultation and engagement as part of contract delivery. A skilled and experienced Stakeholder Engagement coordinator will be nominated from their Stakeholder Engagement (SE) team to lead on this task, supported by a Contract Manager on site. The nominated SE coordinator will be selected internally on merit of relevant experience working on projects on similar scale and scope and location.
94. The SE coordinator will work closely with the Council and representatives from Rotherhithe Primary School (RPS) in order to ensure construction-phase issues are identified and addressed. They will engage with the Council at the earliest possible stage to identify any potential issues with stakeholders and ensure mitigative measures are in place. The SE coordinator will continue to liaise with all parties, share best practice and benefit from the wider expertise and resources from others in the Farrans' SE team.
95. The SE coordinator will prepare a Stakeholder Engagement and Communications Strategy and associated delivery plan. They will create a tailored response, with targeted interventions, to create impact where it's needed most. This is in line with the Council's strategic value of "spending money as if it were from our own pocket".

Other implications or issues

96. There were no other implications or issues for consideration.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance [CAS20/005]

97. Please refer to the Closed version of this report.

Head of Procurement

98. This report seeks approval from the Strategic Director of Children's and Adult's Services for contract award and a contingency sum as detailed in paragraphs 1 and 2.
99. The procedure followed was a Restricted Process as set out in the GW1, with a shortlisting stage down to 5 bidders who were then invited to ITT. The report details the evaluation process that was undertaken, based on a 60/40 price/quality weighting, which included clarification meetings and interviews with bidders and a comprehensive moderation session.
100. The winning bidder was able to demonstrate a detailed social value offer, including engagement with school children, staff and local community, various accreditations, a commitment to 15 apprenticeships, payment of LLW and other benefits.
101. Arrangements for Contract Management and monitoring are detailed in paragraphs 42 to 49.

Director of Law and Democracy

102. This report seeks approval to award a contract to Farrans Construction Limited for main works relating to the Rotherhithe Primary School expansion project. The decision to award the contract has been delegated by Cabinet to the Strategic Director of Children's and Adults' Services.
103. As the contract relates to construction and the pre-tender estimate was over the relevant EU threshold it is subject to the full application of the EU procurement regulations. The report describes from paragraph 17 how an EU compliant tendering process has been followed.
104. The procurement process described in this report is also consistent with the council's Contract Standing Orders which, amongst other things require that no steps may be taken to award a contract unless the expenditure involved has been included in approved estimates, or otherwise approved by the council. The financial implications section of this report sets out the budgetary implications for this appointment.
105. The Strategic Director will be aware of the Public Sector Equality Duty (PSED) under the Equality Act 2010, and when making decisions to have regard to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct, and to advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and those who do not share it. The relevant characteristics are age, disability, gender reassignment, pregnancy and maternity, race, marriage and civil partnership, religion or belief, sex and sexual orientation. The duty also applies to marriage and civil partnership but only in relation to the elimination of discrimination. The Strategic Director must be satisfied that proper consideration has been given to equalities issues which should be considered when agreeing the proposed contract award.

Director of Exchequer (for housing contracts only)

106. n/a

PART A – TO BE COMPLETED FOR ALL DELEGATED DECISIONS

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 
David Quirke-Thornton

Date 26 March 2020

Designation **Strategic Director for Children’s and Adults’ Services**

PART B – TO BE COMPLETED BY THE DECISION TAKER FOR:

- 1) All key decisions taken by officers
- 2) Any non-key decisions which are sufficiently important and/or sensitive that a reasonable member of the public would reasonably expect it to be publicly available.

1. DECISION(S)
As set out in the recommendations of the report.

2. REASONS FOR DECISION
As set out in the report.

3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED BY THE OFFICER WHEN MAKING THE DECISION
Not applicable.

4. ANY CONFLICT OF INTEREST DECLARED BY ANY CABINET MEMBER WHO IS CONSULTED BY THE OFFICER WHICH RELATES TO THIS DECISION
None.

5. NOTE OF ANY DISPENSATION GRANTED BY THE MONITORING OFFICER, IN RESPECT OF ANY DECLARED CONFLICT OF INTEREST
<i>If a decision taker or cabinet member is unsure as to whether there is a conflict of interest they should contact the legal governance team for advice.</i>
None.

6. DECLARATION ON CONFLICTS OF INTERESTS	
I declare that I was informed of no conflicts of interests.	
Signature	
	Date 26 March 2020
Designation	David Quirke-Thornton Strategic Director for Children's and Adults' Services

BACKGROUND DOCUMENTS

Background documents	Held At	Contact
Cabinet Committee Minutes dated Tuesday 21 March 2017 approving Gateway 1 Procurement Strategy for Proposed Expansion of Rotherhithe Primary School (Page 08)	Regeneration – Capital Works and Development Place and Wellbeing Department PO box 64529 London SE1P 5LX	Nafeesa Chalisa 020 7525 2508
Hyperlink: http://moderngov.southwark.gov.uk/documents/g5379/Printed%20minutes%20Tuesday%2021-Mar-2017%2016.00%20Cabinet.pdf?T=1		
Approved Gateway 1 - Procurement Strategy Approval Proposed Expansion of Rotherhithe Primary School	Regeneration – Capital Works and Development Place and Wellbeing Department PO box 64529 London SE1P 5LX	Nafeesa Chalisa 020 7525 2508
Hyperlink: http://moderngov.southwark.gov.uk/documents/s67290/Report%20Gateway%201%20-%20Procurement%20Strategy%20Approval%20Proposed%20expansion%20of%20Rotherhithe%20Primary%20School.pdf		

APPENDICES

No	Title
None	

AUDIT TRAIL

Lead Officer	David Quirke-Thornton, Strategic Director of Children's and Adult's Services
Report Author	Nafeesa Chalisa, Project Manager, Regeneration – Capital Works and Development
Version	Final
Dated	10 March 2020

Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Finance and Governance	Yes	Yes
Head of Procurement	Yes	Yes
Director of Law and Democracy	Yes	Yes
Director of Exchequer (for housing contracts only)	No	No
Cabinet Member	Yes	Yes
Contract Review Boards		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
Cabinet	No	No
Date final report sent to Constitutional/Community Council/Scrutiny Team	26 March 2020	

BACKGROUND DOCUMENT – CONTRACT REGISTER UPDATE - GATEWAY 2

Contract Name	Contract Award to Farrans Construction Ltd. for Main Works on the Rotherhithe Primary School expansion project
Contract Description	Construction of a new 3FE Primary school, followed by demolition of existing building and completion of landscaped works
Contract Type	Joint Contracts Tribunal (JCT) Standard Building Contract 2016 (with quantities) with London Borough of Southwark specific amendments
Lead Contract Officer (name)	Nafeesa Chalisa
Lead Contract Officer (phone number)	02075252508
Department	Capital Works and Development
Division	Regeneration
Procurement Route	OJEU
EU CPV Code (if appropriate)	N/A
Departmental/Corporate	Departmental
Fixed Price or Call Off	Fixed price
Supplier(s) Name(s)	Farrans Construction Limited
Contract Total Value	£15,464,816
Contract Annual Value	N/A
Contract Start Date	24 April 2020
Initial Term End Date	31 January 2022
No. of Remaining Contract extensions	N/A
Contract Review Date	N/A
Revised End Date	N/A
SME/ VCSE (If either or both include Company Registration number and/or registered charity number)	N/A
Comments	None
London Living Wage	Yes

This document should be passed to the member of staff in your department responsible for keeping your departmental contracts register up to date.