

Item No.	Classification: Open	Date: 26 November 2012	Decision Maker: Strategic Director of Finance and Corporate Services
Report title:		Gateway 1 and 2 Procurement Strategy Approval and Award of Contract for the Design Development of Lyndhurst Primary School, and Gateway 1 Procurement Strategy Approval for the Construction works and their Management of Lyndhurst Primary School	
Ward(s) or groups affected:		Brunswick Park	
From:		SSF Project Director	

RECOMMENDATIONS

1. That the strategic director of finance and corporate services formalises his prior agreement to the procurement strategy outlined in this report to procure services through the Local Education Partnership (LEP), 4 Futures, for the design development of the Lyndhurst Primary School project (Gateway 1 for services).
2. That the strategic director of finance and corporate services approves the award of contract by issue of a New Project Request Letter, for the LEP to develop a New Project Proposal for Lyndhurst Primary School. This will result in a fee liability arising of £624,343 to financial close, as permitted within the Strategic Partnering Agreement and outlined in paragraphs 61 to 67 of this report (Gateway 2 for the appointment of the design services).
3. That the strategic director of finance and corporate services approves the procurement strategy outlined in this report to procure the construction works and their management, and any associated ICT and FFE (Fixed Furniture and Equipment) provision, through the Local Education Partnership (Gateway 1 for the works). The value of these works is £5.5m.
4. That the strategic director of finance and corporate services notes that the LEP will be sub-contracting Mansell Construction Services Limited (Mansell) to deliver the Lyndhurst Primary School Project.

BACKGROUND INFORMATION

5. It is proposed that Lyndhurst School is extended and refurbished as a two form entry primary school, in response to the rising demand for reception class places in the area, and to meet the standards set out in the DfE's (Department for Education) Building Bulletin 99. This enlargement from 1.5 to 2FE was approved by the cabinet in July 2010, and will include capacity for 470 pupils including a single nursery class.
6. In September 2010 approval was given by the strategic director of children's services to appoint the LEP to undertake Stage 0 work (initial design, survey

and cost estimations) to enable the delivery of these works through the Local Education Partnership.

7. This Stage 0 has now been completed and evaluated by the council. It is considered that the procurement of works and services through the LEP can enable the delivery of the project within the budget allocated for the completion of the scheme and with significantly greater cost certainty at this stage than through the existing or alternative procurement arrangements.
8. Paragraphs 9 – 14 below detail how the appointment of the LEP provides a framework for the council to commission this project.
9. On 02 May 2007, the council's executive approved the progression of an EU compliant tender process to appoint a delivery partner for Southwark's Building Schools for the Future programme (BSF). The relevant Contract Notice (the OJEU Notice) estimated the value of the contract between £195 million and £400 million.
10. It was envisaged that the council would enter into contracts with the successful tenderer/LEP for works and services including those required for the Building Schools for the Future programme, which represents circa £200m of the £400m overall contract value. The remaining £200m would then be available for the council to commission new projects.
11. The OJEU Notice defined the nature of the works and services that can be procured through the partnership. The notice was drafted widely to give the council flexibility, including building, facilities management, ICT and professional advisory services.
12. On 28 October 2008, the Major Project Board approved the appointment of Balfour Beatty Capital, trading as Transform schools ('Transform Schools') as Southwark's selected partner. In May 2009, Southwark council together with Transform Schools and a national government agency (BSFI) established the LEPco, 4 Futures Limited.
13. On 13 May 2009 the LEP Limited entered into a Strategic Partnering Agreement (SPA) with Southwark council. This agreement has a term of 10 years with an option to extend for a further 5 years. It provides a framework whereby the council can commission new projects, subject to a project approval process, including:
 - Works and services to/for the BSF programme (value circa £200m)
 - Works and services to/for other community facilities including schools.
 - The provision of ICT equipment and managed services
14. In September 2010, approval was given by the strategic director of finance and corporate services to approve the holding of discussions between Children's Services and the LEP to determine the viability of the LEP delivering the required services for Lyndhurst
15. Approval is sought through this report for the procurement strategy for the delivery of construction services through the LEP.

16. The report seeks approval for the appointment of the LEP in principle to carry out the work, and specifically to undertake the detailed design work leading to a planning application.
17. As detailed in the Strategic Partnering Agreement, the LEP can, when undertaking Partnering of Additional Services, propose alternative sub-contractors. Due to the value of the contract for this scheme, the LEP has proposed that Mansell, a Balfour Beatty subsidiary company, deliver the Lyndhurst D&B contract. Following a review of the cost proposals submitted from the LEP, it was concluded that better value for money can be achieved for this scheme if it is delivered by Mansell. This is detailed in paragraphs 37 to 45 of this report.
18. Paragraphs 44 and 45 of this report outline the checks that the council has undertaken to confirm that Mansell is an appropriate company to undertake this work.
19. The execution of the design and build contract for the construction of Lyndhurst and the associated ICT and FFE provision will be subject to a further Gateway 2.

Summary of the business case/justification for the procurement

20. The council has entered into a Strategic Partnering Agreement (SPA) with the LEP which governs the relationship between the parties. The SPA specifically refers to the delivery of capital projects in Southwark's Primary schools.
21. The report titled 'LEP Engagement Recommendation: Lyndhurst Primary School', dated 14 September 2010, was approved by the strategic director of finance and corporate services and outlines the rationale for procuring the LEP for the delivery of the main works. In particular, the identified benefits of procuring the LEP include the following:
 - Cost certainty at an earlier stage of the project process.
 - The appointment has already been through the OJEU process, which would result in a considerable reduction in procurement timescales. This therefore enables an improved programme timescale for delivery of the required outcomes.
 - A reduced programme for delivery also reduces the risk of further pricing inflation, which could result in the project being made unaffordable.
 - Single point of responsibility for delivery of the scheme.
 - An integrated range of supply chain sub-contractors (only one procurement required and reduced contract management and interface risks).
 - Risk transfer (4F will be responsible for design development, surveys and planning application that underpins it and as such significant risk transfer will be possible at the point of award).
 - Continuity from feasibility study and initial school engagement which has taken place so far.
22. The SPA details the 'approval criteria' against which the council can judge whether to proceed with a proposal from the LEP, including whether costs are within target and whether proposals meet the local authority requirements. The

Stage 0 proposal received from the LEP has been reviewed by the council and meets these criteria, as outlined in paragraphs 37 to 45 of this report.

Market Considerations

- 23. 4 Futures Ltd is a limited company whose major shareholder is a plc with over 250 employees and an international area of activity.
- 24. On 13 May 2009 the council entered a Shareholders' Agreement with the LEP and others which will remain in operation throughout the term of the Strategic Partnering Agreement.
- 25. The shareholder's of the LEP are: 80% held by a major PLC, 10% held by London Borough of Southwark and 10% Building Schools for the Future Investments LLP (a Government Agency, Building Schools for the Future Investments).

KEY ISSUES FOR CONSIDERATION

Options for procurement including procurement approach

- 26. Paragraphs 9 to 14 above describe how the appointment of the LEP provides a framework for the council to commission this project.

Other procurement options considered

- 27. Alternative procurement routes which have been considered for the design development and delivery of works to Lyndhurst School. This options appraisal is detailed in Appendix 1.

Procurement Route followed

**Timetable of procurement process followed
Procurement project plan (Key decision)**

Activity	Completed by/Complete by:
Stage 0 Submission – Lyndhurst Primary School	April 2012
Completion of Evaluation of Stage 0 Proposal	July 2012
DCRB Review: GW 1 / 2 Procurement Strategy Approval and Award of Contract for the Design Development of Lyndhurst Primary School, and GW 1 Procurement Strategy Approval for the Construction works and their Management of Lyndhurst Primary School (this report)	02.05.2012
CCRB Review: GW 1 / 2 Procurement Strategy Approval and Award of Contract for the Design Development of Lyndhurst Primary School, and GW 1 Procurement Strategy Approval for the Construction works and their Management of Lyndhurst Primary School (this report)	19.07.2012

Activity	Completed by/Complete by:
Decision Taken: GW 1 / 2 Procurement Strategy Approval and Award of Contract for the Design Development of Lyndhurst Primary School, and GW 1 Procurement Strategy Approval for the Construction works and their Management of Lyndhurst Primary School (this report)	December 2012
Notification of forthcoming decision	December 2012
New Project Request letter to be issued to the LEP	December 2012
Stage 1 submission	December 2012
Stage 2 submission	June 2013
DCRB Review: Gateway 2: Approval of Award for Construction works and their management	June 2013
CCRB Review: Gateway 2: Approval of Award for Construction works and their management	June 2013
Decision taken: GW 2: Approval of Award for Construction works and their Management: Lyndhurst Primary School	June 2013
Contract award	July 2013
Construction commencement	July 2013
Construction completion	Summer 2014

28. The project approval process set out in the SPA has two stages: Stage 1 - new project proposals; and Stage 2 - new project final approval submission.
29. Following acceptance of the New Project Request Letter, the New Project Proposal (or Stage 1 submission) will be submitted from the LEP to the council in December 2012. This will then be reviewed, with support from external advisors, to confirm whether it satisfies the requirements as detailed in the Strategic Partnering Agreement. Following this, the New Project Proposal will be considered by the Strategic Partnering Board, chaired by the local authority representative (currently the council's Director of Regeneration) and approval to proceed to stage 2 will be delegated to the local authority representative.
30. Prior to Stage 2 approval, the costs associated with drawing up the designs for the New Project Proposal are borne by the LEP. However, once the council has given approval to proceed to Stage 2 then the council would be liable for bid costs incurred associated with any major redesign, scheme deferral or cancellation.

Identified risks and how they were/ will be managed

No.	Risk	Mitigating Action
1	Should there be a delay in securing planning approval, there is a risk	The LEP to develop contingency plan to mitigate any slippage of

	that financial close for the scheme could be delayed, ultimately leading to an overall delay in the construction programme.	the planning programme.
2	The LEP do not demonstrate Stage 1 value for money for Lyndhurst Primary School	The council and the LEP are to agree key value for money indicators which are to be considered at each stage of the project, to ensure that the partnership is working in a way which delivers value. In addition, prior to Stage 1 Approval, the council's external Technical Advisor is to undertake a value for money assessment for the scheme to ensure that the project is demonstrating value for money.
3	Unforeseen site conditions (including contamination, services, asbestos, archaeological artefacts,) result in additional costs	The LEP are required to undertake more detailed and intrusive surveys to ensure they are able to include provision for site issues within overall project budgets.
4	Stage 1 approval is not achieved on time as a result of ongoing negotiation and agreement of the Stage 1 proposals, ultimately leading to a delay to the overall programme.	Ongoing monitoring, forward programming and review of Mansell's performance and resourcing to ensure that the programme can be maintained.

31. It should be noted that Stage 1 work is equivalent to outline feasibility assessment, during which it would be expected that key issues will have been identified but not resolved. The detailed project development work is the focus of Stage 2 work.

32. This is a key decision.

Policy implications

33. The works to Lyndhurst Primary School will assist the council to achieve its Fairer Future promises, in particular to champion improved educational attainment for the borough's children.

Development of the tender documentation

34. The LEP has undertaken Stage 0 services, including the initial design, survey and cost estimation for the design development and construction works for the council to consider. The works will include partial refurbishment, demolition and new development to meet the educational needs of the school, including additional accommodation to meet the needs of the new expansion and refurbishment of existing facilities including the nursery and staff room.

Advertising the contract

35. Not applicable. As described in paragraphs 9 to 14 of this report, the Strategic Partnering Agreement entered into with the LEP provides a framework for the council to commission this project, subject to an approval process.

Tender Process

36. In September 2010 approval was given by the strategic director for children's services for the appointment of the LEP to undertake Stage 0 services - initial design, survey and cost estimation work - for Lyndhurst Primary School, at an estimated cost of £44,098 on a single tender basis. This Stage 0 submission also acts as a tender for the provision of the delivery of Stage 1 and 2 services and enables the deliverability of the project to be assessed.

Tender Evaluation

37. On 25 April 2012, the council received the stage 0 submission from the LEP for Lyndhurst, which has been reviewed by the council with support from external technical advisors. The financial liability arising from this procurement to develop new project proposals is £624,343. The breakdown between the development stages is shown in Table 2.
38. The Technical Advisor (TA) confirms their view that Stage 1 and 2 development costs are reasonable and in line with those currently available in the market. However, a number of areas were highlighted where further consideration is needed, and these will be identified in the New Project Request letter.
39. For example, further investigation into innovative building methods will be required early in the Stage 1 process in order to achieve maximum value and to avoid later redesign costs.
40. Concerns were also raised regarding the construction programme duration, in particular regarding the construction of the single accommodation block. This is to be reviewed with the school early in stage 1.
41. Concerns were also expressed regarding the allowances for specialist/support service aspects which appear high and will be included as conditions in the New Project Request letter. These will require further justification and approval from the council in Stage 1.
42. Concerns made regarding consultant fees, preliminaries, redecoration costs and furniture allowances will also be included as condition in the New Project Request letter, and will require further justification and approval from the council in Stage 1.
43. The TA report also confirms that the Stage 0 demonstrates that the overall project is affordable and can offer value for money, provided that the LEP and the council follow the agreed methodology as set out in the Value for Money Protocol, alongside further scrutiny of the stage 1 and 2 submissions and consideration over the areas highlighted in paragraphs 39 to 42 of this report.

Table 2: Breakdown of Development fees:

	Development/Design Fee/£	LEP Fee/£	Total/£
Stage 1	256,163	32,620	288,783
Stage 2	229,250	106,310	335,560
Total/£	485,413	138,930	624,343

44. As detailed in paragraph 17 of this report, the LEP has proposed that Mansell is used to deliver this scheme. To ensure that the council is satisfied that this is an appropriate company to deliver this project a number of financial checks have been undertaken, the results of which have been satisfactory.
45. In addition, Mansell has provided the council with information on their extensive experience of construction projects, which include pre-schools and nurseries, through primary schools, secondary schools and further education colleges, which gives the council confidence that they are the appropriate sub-contractor for this project. Mansell operate under the Balfour Beatty Structure, and its projects have included a number of local authority Schools, including the redevelopment of Clapton Girls Technology College as part of the Hackney Building Schools for the Future Programme, and a number of Design and Build Contracts for London Schools including the Harris City Academies in Crystal Palace and Merton.

TUPE implications

46. Not applicable.

Plans for the transition from the old to the new contract

47. Due to this award being made to an incumbent provider, there will be minimal transition issues.

Plans for monitoring and management of the contract

48. There is a governance and reporting structure in place to commission and monitor the development and delivery of projects through the LEP. The performance of the LEP in terms of outcomes for the council and Authority Related Parties is managed through the Strategic Partnering Board.
49. The LEP is required to meet its contractual responsibilities as identified in the Strategic Partnering Agreement. The LEP's performance is measured against the agreed key performance indicators (KPI's) and Continuous Improvement Targets (CIT's). These KPI's are reviewed annually (or as required) to ensure that they are an effective tool for the monitoring of performance.
50. The LEP's First Track Record Test (the assessment of the LEP's' performance against agreed indicators) was considered passed by the Strategic Partnering Board in May 2010.
51. The second Track Record Test relating to current activity over phases 1, 2 and 3 of the BSF programme, and Assessment of Continuous Improvement Targets (CIP) was collated in October 2011. Of the 25 indicators that form the

priority basket, only 20 were reportable in that year. The LEP met their target on 17 of these 20 indicators, and have addressed those which did not meet the required standard. These include Energy consumption, and school satisfaction with the operational phases based on the Facilities Management service (however this is not relevant to this report, as the intention is for the school to procure their own FM service). This information will be presented to the Strategic Partnering Board, for consideration.

52. The results of the third Track Record Test and Assessment of Continuous Improvement Targets (CIT) is now due to be received from the LEP. Once received, the information will be presented to the Strategic Partnering Board for consideration.

Performance bond/Parent company guarantee

53. Not applicable.

Community impact statement

54. As per the community impact statement and equalities impact assessment completed for the entire Southwark schools for the future project and approved by the executive on May 2 2007, the Lyndhurst Primary School project will have a significant impact upon the communities of Southwark. In particular:

- All schemes will ensure higher quality learning and teaching environments for young people.
- All schemes are to be designed to facilitate community access to the buildings as part of the extended schools agenda.
- All schemes are to be designed to provide a range of flexible spaces appropriate for the provision of integrated children's services.

Economic Considerations

55. The sustainability considerations were included in the report to Major Project Board to appoint the Local Education Partner (see paragraphs 56 and 57 of that report).

56. Transform Schools is a private organisation with over 250 employees and an international area of activity. In their final bid, Transform Schools included the following opportunities for local labour and market development:

- Young people – mentoring, training opportunities for young people, throughout supply chain, with clear understanding of how this can be linked into curriculum pathways, and a focus on hard to reach young people. This has included setting up talks with students from a Southwark school to encourage them to take Btec in Construction, providing a site tour and Health and Safety talk and a number of work experience placements for Southwark's students.
- school staff – leadership and management training opportunities within the supply chain, for example, work shadowing, teacher placements in business, business management mentoring. This has included placements for London Southbank University students, and a Prince's Trust style programme being devised for under-represented groups in the Construction industry.
- Targeted employment – work placement and apprenticeship opportunities, linked into Southwark's existing Building London Creating Futures ("BLCF")

work place coordinator model. Also offer for local employment opportunities in support services, FM and ICT services.

- Small and Medium-sized Enterprises (“SME”) support – commitment to meet the buyer type events, and other mechanisms to secure opportunities for SME supply-chain, including Black and Minority Enterprises (“BME”) (meet the buyer to be held in partnership with the council).
 - Additional Corporate Social Responsibilities (“CSR”) activities or initiatives – other CSR activities, not required by legislation or regulations that demonstrate a commitment, such as voluntary initiatives etc. (Youth programmes).
 - The National Skills Academy for Construction which was formally launched at the end of March 2011, offering courses to the Community who wish to return to the construction industry.
57. There is no specific clause in the contract to require that the London Living Wage (or above) must be paid to all staff as there is no such provision in the model contract provided under the framework agreement. However, given the nature of the services being provided and our knowledge of typical salaries in this sector, we do not expect there to be any issue with the London Living Wage being provided.

Social considerations

58. Not applicable.

Environmental considerations

59. All schemes being developed through the LEP are to target an ‘Excellent’ BREEAM 2006 rating, with a minimum of ‘Very good’ being achieved where this is not feasible. The BREEAM rating for Lyndhurst Primary School will be determined in Stage 1.

Resource implications

Staffing/procurement implications

60. Staff resources associated with this project will be funded within the existing resources of the Children’s Services department.

Financial implications

61. The allocated budget for this project is £5.5m, which was agreed in the July 2011 capital refresh. This is funded through £5.45m of DfE grant for new places and £0.05m of Devolved Formula Capital (DFC). A formal agreement relating to DFC including timing of payment will need to be entered into following this approval.
62. The final milestones for certificated payments will be agreed at the gateway 2 for the contract award in June/July 2012. At present the best estimate of the expenditure is that £4.3m will be incurred in 2013/14 and £1.2m will be incurred in 2014/15.

63. The fee liability of £624,343 is included in the total capital budget of £5.5m and is due for payment at contract award. If the contract award is unduly delayed by the council then all or some the fee liability may fall due for payment in advance of the main contract award, subject to the demonstration of reasonable expenses incurred.
64. This report seeks approval for the issue of a New Project Request Letter for the LEP to develop a New Project Proposal for Lyndhurst Primary School resulting in a fee liability arising of £624,343 to financial close. Liabilities from this procurement for design services can be funded from the existing Primary Capital Programme funding allocation.
65. The Lyndhurst project has been assessed as affordable within this budget allocation.

Value for Money (vfm)

66. As described in paragraph 38 of this report, Southwark's Technical Advisor has assessed the Stage 0 submission and has recommended that the fees up to contract close are reasonable and in line with those currently available in the market. However, a number of areas have been highlighted where further consideration is needed, and these will be identified in the New Project Request letter.
67. The vfm approach for this project, which has been established with the LEP, is outlined in the Value for Money Protocol. This includes identifying key value for money indicators which are to be considered at each stage of the project, to ensure that the partnership is working in a way which delivers value. This approach has been reviewed and agreed by the TA and the council's strategic financial advisors PWC.

Legal implications

68. The contract form to be used for the delivery of the works and services for Lyndhurst will be based on upon the agreed forms of contract and commercial terms negotiated for the BSF Phase 1 and Phase 2 schemes, with minor project specific amendments.
69. Please see the legal concurrent.

Consultation

70. The proposals included in this paper have been discussed with the Head teacher and Governing Body representatives from the school.

Other implications or issues

71. Not applicable.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Procurement

72. Three decisions are being sought for Lyndhurst primary school by way of this combined gateway one and two, and gateway one report. The first is approval

of the formalisation of the previous decision for the procurement strategy for the design development, namely to use the LEP; the second is for the award of contract for the design development to the LEP, and the third is for the procurement strategy for construction works, including any associated ICT and fixed furniture and equipment, and their management, again through the LEP.

73. Paragraphs 9 - 14 give an overview of how the LEP framework was put in place and confirms that the works for which approvals are now being sought fall within the intended remit, Appendix 1 contains a procurement options appraisal showing why the use of the LEP was, and is, deemed the best route to deliver the desired outcomes.
74. Paragraphs 37 to 45 detail the evaluation process undertaken and confirm that the council's external technical advisors are satisfied that the advised fee liability of £624k for the design development is within current market expectations.
75. Paragraphs 48 to 52 confirm the contract monitoring and management arrangements that are and will continue to be in place, and also confirm that the LEP has passed both previous performance assessments against the agreed KPIs, and that the results of the third annual review are due shortly.
76. The project plan for the second GW1 element of the report is deemed deliverable with the maintenance of allocated resources.

Director of legal services

77. This report seeks the strategic director of finance and corporate services' approval to formalise the procurement strategy and agree the contract award in relation to Lyndhurst Primary School as set out in paragraphs 1-4 of this report. As the decision is to approve single supplier negotiations with the LEP and the contract value is in excess of the relevant EU threshold, then the decision is reserved to the strategic director of finance and corporate services.
78. The nature and value of these services is such that they are subject to the full application of the EU tendering regulations. However, and as noted in paragraphs 9-14, the procurement of the LEP was fully in accordance with those regulations, and therefore any decision to instruct them to undertake these services can be made without a further process of tendering, provided that the council is satisfied that value for money is achieved. The later design and build contract following this appointment will be subject to a further Gateway 2 report.
79. As outlined in paragraph 17 of this report, the LEP has proposed that Mansell, a Balfour Beatty subsidiary company, deliver the Lyndhurst D&B contract. Under the OJEU and clause 6.1 of the Strategic Partnering Agreement, the LEP may subcontract the work at its discretion.
80. Contract Standing Order 2.3 provides that no award may be made unless the expenditure involved has been approved. Paragraphs 61 to 65 confirm how the contract is to be funded.

Strategic director of finance and corporate services

81. This gateway report recommends that the strategic director of finance and corporate services formalises his prior agreement to the procurement strategy to procure services through the Local Education Partnership (LEP), 4 Futures for the design development of the Lyndhurst Primary School project, approves the award of contract by issue of a New Project Request Letter for the LEP to develop a New Project Proposal for Lyndhurst Primary School and approves the procurement strategy to procure the construction works and their management through the Local Education Partnership.
82. The strategic director of finance and corporate services notes the financial implications contained within the report. Officer time to effect the recommendation will be contained within existing budgeted revenue resources.

Strategic director of children's and adult services

83. The strategic director of children's and adult services supports the recommendation within this report to appoint 4 Futures, Southwark's Local Education Partnership, for professional services to enable the delivery Lyndhurst Primary School and their use for the delivery of works subject to the development of satisfactory proposals that meet the Authority's Requirements and represent value for money.
84. The Lyndhurst project forms part of Children's Services' strategy to meet ongoing primary place demand while resolving existing condition and functional issues at the school. Appropriate governance has been established to support the effective delivery of the project.

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 contained in the above report.

Signature 

Date 5.12.12

Designation: Strategic director of finance and corporate services

BACKGROUND DOCUMENTS

Background documents	Held At	Contact
Report to Major Projects Board: Appointment of Selected Bidder for Southwark's Local Education Partnership	160 Tooley Street, SE1	Rebecca Ashton 0207 525 4808

APPENDICES

Appendix number	Title of appendix
1	Options Appraisal: Alternative Procurement Routes

AUDIT TRAIL

Cabinet Member	Cabinet Member for Children's Services		
Lead Officer	Sam Fowler, SSF Project Director		
Report Author	Rebecca Ashton		
Version	final		
Dated	20 November 2012		
Key Decision?	Yes	If yes, date appeared on forward plan	December 2012
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title	Comments Sought	Comments included	
Director of legal services	Yes	Yes	
Strategic director of finance and corporate services	Yes	Yes	
Head of Procurement	Yes	Yes	
Strategic director of children's and adult services	Yes	Yes	
Contract Review Boards			
Departmental Contract Review Board	Yes	Yes	
Corporate Contract Review Board	Yes	Yes	
Cabinet Member	No		
Date final report sent to Constitutional Team			26 November 2012

Appendix 1: Lyndhurst Procurement Options Appraisal

Background

It is proposed that Lyndhurst School is extended and refurbished as a two form entry primary school, in response to the rising demand for reception class places in the area, and to meet the standards set out in the DfE's (Department for Education) Building Bulletin 99. This enlargement from 1.5 to 2FE was approved by the Cabinet in July 2010, and will include capacity for 470 pupils including a single nursery class.

In September 2010 approval was given by the strategic director of children's services to appoint the LEP to undertake Stage 0 work (initial design, survey and cost estimations) to enable the delivery of these works through the Local Education Partnership.

Options for progressing project

Procure design team and contractor – traditional OJEU	
Pros Would bring a competitive price for all services	Cons Significant delay as OJEU for all services and works required and alongside tender processes. Takes completion into next school year
Procure design and build provider – OJEU	
Single point of responsibility for delivery. Risk transfer possible. Earlier cost certainty.	Significant delay as OJEU for all services and works required and alongside tender processes. Takes completion into next school year
Procure design and build provider framework e.g. IESE	
Single point of responsibility for delivery. No OJEU required (but mini-tender) Early cost assurance and risk transfer.	Challenge of achieving competitive cost. Risk of completion into next school year
Procure 4 Futures	
Single point of responsibility for delivery.	Challenge of demonstrating value for money.

<p>Confidence in outturn cost at initial appointment.</p> <p>Significant risk transfer.</p> <p>Performance management possible due to established partnership.</p> <p>No OJEU process required.</p> <p>Understanding of project and authority's requirements through feasibility work done to date.</p>	
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Recommendations

It is considered that the 4 Futures route offers the most certainty to the Authority moving forward in regard to cost and deliverability.

The framework D&B route is considered a viable alternative but the existing understanding of the Authority's requirements and the reduced procurement timescales are advantages of the 4 Futures approach and enable the delivery of the project to the shortest timescales of any procurement option.