

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 24 April 2013	<b>Meeting Name:</b> Strategic Director of Children's and Adults Services
<b>Report title:</b>		<b>Gateway 2 - Contract Award Approval</b> For the supply and installation of temporary expansion classrooms at Albion, Charles Dickens and Dog Kennel Hill Primary Schools	
<b>Ward(s) or groups affected:</b>		Rotherhithe, Borough & Bankside, Camberwell	
<b>From:</b>		Manager, Project Delivery Team	

### RECOMMENDATION

1. That the Strategic Director of Children's and Adults Services approves the award of the contract to supply and install the temporary expansion classrooms at Albion, Charles Dickens and Dog Kennel Hill Primary Schools to AV Danzer Limited.

### BACKGROUND INFORMATION

2. On 27<sup>th</sup> February 2013 the Strategic Director of Children's and Adults Services approved the procurement strategy to supply and install the temporary expansion classrooms at various schools.
3. The approved Gateway 1 Report is attached as Appendix 1

### Procurement project plan (Key decisions)

<b>Activity</b>	<b>Completed by/Complete by:</b>
Forward Plan for Gateway 2 decision	18/02/2013
Approval of Gateway 1: Procurement Strategy Report	27/02/2013
Invitation to tender	28/01/2013
Closing date for return of tenders	28/02/2013
Completion of evaluation of tenders	08/03/2013
DCRB/CMT Review Gateway 2:	20/03/2013
Notification of forthcoming decision – Five clear working days	17/04/2013
Approval of Gateway 2: Contract Award Report	24/04/2013
Scrutiny Call-in period and notification of implementation of Gateway 2 decision	02/05/2013

Albion School

Planning Permission Approval	04/06/2013
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Contract Award	05/06/2013
Contract start	05/06/2013
Contract completion date	19/07/2013

Charles Dickens School

Planning Permission Approval	14/06/2013
Contract award	16/06/2013
Contract start	16/06/2013
Contract completion date	30/08/2013

Dog Kennel Hill School

Planning Permission Approval	08/05/2013
Contract award	09/05/2013
Contract start	09/05/2013
Contract completion date	23/08/2013

**KEY ISSUES FOR CONSIDERATION**

**Description of procurement outcomes**

4. The present accommodation at the Schools does not have sufficient space available for another thirty pupils within their existing accommodation and therefore to accommodate the temporary expansion class it is necessary to provide a modular, pre fabricated classroom to increase the number of teaching spaces available.

**Key/Non Key decisions**

5. This report deals with a key decision

**Policy implications**

6. Southwark has come under increasing pressure in recent years to provide additional reception class places. The rising demand for places is forecast to continue in September 2013 and requires an increase in the number of reception places provided in Southwark's primary schools.
7. Following a review of where the additional places are needed it has been agreed that in order to ensure that there are sufficient reception places in September 2013 temporary expansion classes will be provided at twelve schools, including Albion, Charles Dickens and Dog Kennel Hill primary schools. Parents have been advised of the additional places at the schools to enable them to make informed choices when expressing their preferences for admission to school reception classes.

## **Tender process**

8. Five contractors were taken from the list of specialist suppliers of modular, prefabricated buildings on the Council's Approved List of Contractors (CSO 5.3) and invited to submit a tender under the GC/Works/2 form of contract.
9. The tenderers were invited to submit alternative tender 2 for the combination of two sites combined together in one contract
10. The tenderers were invited to submit alternative tender 3 for the combination of the three sites combined together in one contract.
11. The tenderers were, AV Danzer Limited, Servacomm Redhall Limited Wernick Buildings Limited, Premier Interlink (WACO UK Limited) and Rollalong Limited.
12. The initial closing date for the tender return was 25<sup>th</sup> February 2013 following a tender period of four weeks. This was extended to the 28<sup>th</sup> February 2013 in order to allow for a design amendment to be competitively priced
13. Only four tenders were received, Rollalong Limited advised that they were unable to tender, due to their production capability and ability to meet the delivery programme required.

## **Tender evaluation**

14. 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. The price is considered the greater element as the competitiveness of the contractors' overheads and preliminaries will be to the Council's advantage and the building works are considered to be of a standard nature.
15. A tender report has been produced by the Quantity Surveyors, Playle and Partners (copy attached as Appendix 2). Four tenders have been received and analysed by the Project Quantity Surveyor on a financial basis. It will be noted from the Quantity Surveyors report that all the tenders were examined in detail. Following adjustments for any arithmetical errors and post tender clarification, the lowest tender from AV Danzer Limited is considered to be complete, without significant qualifications, and competitive.
16. The tender sum quoted in each returned compliant tender will be scored with the lowest tender receiving the maximum mark of 70 and the remaining tenders awarded a proportion of this score based on their percentage difference from the lowest tender.
17. The quality submissions have been assessed by the Project Architect and the Project Manager in Southwark Property. The tenderers were asked to provide a submission including the following:-
  - a) relevant experience and ability of working in education premises.
  - b) key risks and challenges affecting the delivery of the works
  - c) works programme
  - d) proposed structure of management team
  - e) proposals to manage the project

18. Each of these criteria was marked out of 6 and the scores moderated through discussion. A minimum quality threshold of 2 points per question applied. The breakdown of the score and the evaluation methodology, including the minimum quality threshold was made clear to bidders at the time of invitation to tender.

19. The combined score together with the price was then used to rank the respondents.

**Albion School**

Contractor	Total score	Ranking
A V Danzer Limited	92.2	1
Servacomm Redhall Ltd.	60.4	4
Wernick Buildings Ltd.	83.1	2
Premier Interlink (WACO UK Ltd.)	61.4	3

**Charles Dickens School**

Contractor	Total score	Ranking
A V Danzer Limited	92.2	1
Servacomm Redhall Ltd.	82.8	3
Wernick Buildings Ltd.	86.3	2
Premier Interlink (WACO UK Ltd.)	59.0	4

**Dog Kennel Hill School**

Contractor	Total score	Ranking
A V Danzer Limited	91.9	1
Servacomm Redhall Ltd.	87.4	2
Wernick Buildings Ltd.	79.4	3
Premier Interlink (WACO UK Ltd.)	72.	4

20. It is recommended that the contract is awarded to A V Danzer Limited. Their tender return is competitively priced for the three school sites.

### Plans for monitoring and management of the contract

21. The contract will be supervised by the Project Architect, Property Division who will act as the Contract Project Manager. The overall project will be managed by the Project Manager, Property Services.
22. The progress of the project and the adherence to the contractor's Construction Phase Health and Safety Plan will be monitored through formal programmed, minuted meetings held on site with the contractor and the design team, together with regular site visits by the consultants. Minutes will be circulated to the Project Executive, the Education Planning Office (Martin Wilcox)
23. Works are being carried out with the school in occupation and therefore, pupils, staff and visitors to be clearly separated from the on-going works and essential facilities for the day to day running of the services will need to be maintained at all times. The adoption of a modular building method will reduce the amount of construction time on site.

### 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. Schools 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 professional consultant and contractor in the selection process and obtain proposals for achieving milestones on their quality submissions.
Works being carried out with school in occupation	High	Programme works in order that site establishment takes place at a time agreed with the school. Relevant experience of delivering works with schools in occupation key selection criteria. Pupils, staff and visitors to be clearly separated from the on-going works,

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.

A Performance Bond will be in place as part of the works contract.

24. It is confirmed that the successful bidder does not require a parent company guarantee.

#### **Community impact statement**

25. The increase in school places will enhance the choice of local parents and carers for school places in the academic year September 2013/14

#### **Economic considerations**

26. 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**

27. The development of the brief for the works' contracts has been with the approval of the Head Teacher s and Governors of the schools.

#### **Environmental considerations**

28. **Energy Losses:** The modular building will have high levels of insulation with minimal heat loss through the wall, roof and floor construction, good air tightness and double glazing.

29. **Energy source:** The modular building will have heating via air source heat pumps and electrically heated hot water which has low running costs, which,

combined with increased insulation, will result in low CO<sup>2</sup> emissions from the building when in use.

30. Lighting: New lighting will be of low energy source with PIR (Passive Infra Red) detection to reduce electrical usage

#### **Market considerations**

31. The successful tenderer is a private organisation.
32. The successful tenderer has a regional area of activity.

#### **Financial implications**

33. The temporary expansion programme is funded by DfE grant and budgeted within the capital programme for children's services.
34. The ongoing revenue costs as a result of increasing pupil places and maintenance will be met from a higher allocation of DSG for the additional pupils numbers.

#### **Second stage appraisal**

35. A second stage financial appraisal has been received for AV Danzer. The company is considered to be very low risk.

#### **Legal implications**

36. 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**

37. Consultation has been carried with the schools throughout to agree the scope and timescale for the works.
38. The schemes for Charles Dickens School and Dog Kennel Hill School are subject to planning process. The contracts cannot be awarded until the Approval is granted.
39. The planning application for Charles Dickens School was submitted on the 11th March 2013
40. The planning application for Dog Kennel Hill School was submitted on the 22nd February 2013.
41. The scheme for Albion School is a permitted development and does not require Planning Approval.

#### **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

**Strategic Director of Finance and Corporate Resources (CAP13/015)**

42. This report is seeking the Strategic Director of Children's and Adults Services to approve the award of the contract to supply and install the temporary expansion classrooms at Albion, Charles Dickens and Dog Kennel Hill Primary Schools to AV Danzer Limited.
43. It is noted that the expected costs will be funded from the DfE grant budgeted within the Councils Capital Programme for Children's services.
44. Officers should ensure that a robust monitoring process is in place to ensure projects are monitored and completed within available and confirmed resources.
45. It is also noted that any ongoing revenue costs resulting from the above projects will be contained within the 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

  
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Date 24. 4. 18

Designation

JCAS  
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## BACKGROUND DOCUMENTS

Background documents	Held At	Contact
Primary Strategy for Change	Strategy and Planning Children's and Adults Services	Martin Wilcox 0207 5255018

## APPENDICES

No	Title
Appendix 1	Gateway 1 Report
Appendix 2	Tender Report

## AUDIT TRAIL

<b>Lead Officer</b>	Sam Fowler, Manager Project Delivery Team	
<b>Report Author</b>	Susan Fuller, Project Manager.	
<b>Version</b>	Final	
<b>Dated</b>	24 April 2013	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Head of Procurement	Yes	Yes
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Corporate Contracts Review Board	Yes	Yes

**BACKGROUND DOCUMENT – CONTRACT REGISTER UPDATE - GATEWAY 2**

Contract Name	Contract Award Approval for the supply and installation of temporary expansion classrooms at Albion, Charles Dickens and Dog Kennel Hill Primary Schools
Contract Description	Supply and installation of pre fabricated, modular buildings at Albion, Charles Dickens and Dog Kennel Hill Primary Schools
Contract Type	GC Works 2
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)	AV Danzer Limited
Contract Total Value	
Contract Annual Value	
Contract Start from	9 May 2013
Initial Term End Date	September 2014
No. of Remaining Contract extensions	
Contract Review Date	
Revised End Date	
Comments	