

OFFICER DELEGATED DECISION REPORT 4 JANUARY 2022

Report title: Replacement of the Heating and Hot and Cold-Water Services to Kingswood Primary School

Wards: Gipsy Hill

Portfolio: Cabinet Member for Children and Young people: Councillor Edward Davie

Report Authorised by: Bayo Dosunmu: Strategic Director, Resident Services

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REPORT SUMMARY

This report summarises the results of the procurement process undertaken to appoint a contractor for the replacement of the heating and hot and cold-water services to Kingswood Primary School.

The report recommends that the contract for the replacement of the heating and hot and cold-water services is awarded to Oakray Limited as the successful bidder, who submitted the most economically advantageous tender at a total contract cost of £444,021.

The works form part of the overall Capital Maintenance of Schools Programme and the scope of works includes mechanical and electrical systems. A client-held contingency is included in the budget

FINANCE SUMMARY

The budget for this project within the Capital Investment Programme (CIP) is made up of the Schools Condition Allocation (SCA) Grant allocated by Central Government on an annual basis. The 2021/22 Capital Maintenance budget for Kingswood Primary is £495,000, and the estimated cost for the heating and hot and cold-water services is £444,021 which can be contained within the available budget.

RECOMMENDATIONS

To approve the award of the contract to Oakray Limited for Replacement of the Heating and Hot and Cold-Water Services to Kingswood Primary School for a contract sum of £444,021, with a client-held contingency of £44,202.10, commencing early February 2022 for a period of 20 weeks.

REASONS FOR EXEMPTION FROM DISCLOSURE

The accompanying part II report is exempt from disclosure by virtue of the following paragraph of Schedule 12A to the Local Government Act 1972:

Paragraph 3: Information relating to the financial or business affairs of any person (including the authority holding that information).

1. CONTEXT

- 1.1 This is a Procurement Report (Gateway 3 report) to recommend the award of contract to Oakray Limited.
- 1.2 The Capital Maintenance Programme for Schools is an annual programme of major repairs to Lambeth Schools. It is funded through a capital grant with allocations from the Department for Education (DoE). These allocations are made annually. The current budget for Capital Maintenance at Kingswood Primary is £495,000.
- 1.3 The Programme deals with maintenance works to schools and is split into building works and mechanical and electrical works. This package relates to M&E works, in particular heating and Hot and cold & water distribution pipework. The works are to upgrade the pipework due to various leaks on the current pipework. The works will see new copper pipework installed and boxed in. The school will also be directly mains fed, off the incoming Thames Water supply.
- 1.4 Ingleton Wood LLP were appointed in 2016 for four years, as the consultant to lead on the delivery of the maintenance works required. They have specified works packages for schools with high priority needs and these have been competitively tendered to appropriately skilled contractors. Ingleton Wood's contract was recently extended for a further two years until February 2022
- 1.5 Repairs history, condition surveys and detailed inspection have shown that the existing pipework for the heating, hot and cold-water services at Kingswood School (Upper site) have reached the end of their useful life; and have further highlighted several significant leaks to the pipe work and the cold-water tanks on the site. In order to keep the school heated and with an adequate supply of hot water, an M&E project has been incorporated into the council's Schools Capital Maintenance Programme for this calendar year.
- 1.6 The radiators and blending valves also have reached the end of their useful life and are required to be changed in conjunction with the new pipework.
- 1.7 The Procurement Strategy (PSR) was approved in April 2019; however, addendums were granted approval by the Procurement Board in November 2020 and September 2021, which allows for the use of frameworks to engage contractors.
- 1.8 The purpose of this report relates to the council's Borough Plan 2019-2021, Resilient communities: communities that are thriving and connected. This part of the Plan states how Stronger relationships and a vibrant community sector, alongside economic growth, will enable communities to thrive. This includes:
 - Early years – ensure children have the support and resources to get the best start in life
 - Life-long learning and education – invest in skills, life-long learning and networks for children and adults
 - Community assets – supporting community assets such as libraries that help keep people

2. PROPOSAL AND REASONS

- 2.1 In accordance with the procurement strategy (2019), and subsequent addendums, the preferred route to market was by way of a single stage procurement exercise, to be carried out using the Open tender procedure on EU-Supply. The works were estimated to be below the current Find a Tender (FTS) threshold of £4,733,252, but above Lambeth's tendering threshold of £100,000.

- 2.2 Suppliers were sourced by publication of an Expression of Interest (EOI) on EU-Supply. The EOI was published with effect from 14 to 17 September 2021 and existing suppliers were referred to the advertisements including J C Gas, Oakray Limited and T & D Barrs.
- 2.3 Fourteen (14) Contractors expressed their interest in bidding and were therefore invited to submit a tender through EU-Supply, Lambeth's online tendering portal, including three suppliers who had extensive experience of this type of works J C Gas, Oakray Limited and T & D Barrs.
- 2.4 The e-tendering system ensures that the bidding process is auditable and is accessible to any potential bidders. The website link is <https://blambeth.eu-supply.com>. The ITT was published on 23 September 2021 and the deadline for the submission of tenders was 14 October 2021.
- 2.5 At the close of the tender period, five submissions were received.
- 2.6 The Evaluation Panel assessed the tender responses to the quality questions (detailed in Part II of this report). Members of the Evaluation Panel were formed of LB Lambeth Client-Side Senior Project Manager and Assistant Project Manager and Building Surveyor from Ingleton Wood LLP. Quality and pricing were evaluated by independent panels concurrently (with Pricing evaluated by Ingleton Wood LLP).
- 2.7 The providers were required to respond to method statement questions and submit price proposals for their services.
- 2.8 The selection of the successful provider was based on achieving the highest combined score for Quality and Price, based on a 40% Quality and 60% Price evaluation criteria. Only those bidders that achieved the minimum score of 3 for each method statement were included in the Price Evaluation Process. Two bidders failed to meet minimum quality award criteria and therefore their proposed price was not taken into consideration.
- 2.9 Upon conclusion of the evaluation process, the proposed supplier achieved the highest quality score from those who participated. This report proposes the appointment of Oakray Limited. Their Tender submission indicated that they have the experience, capability, and capacity to carry out the works. Their prices were analysed and found to be inclusive, robust and provided good value for money. Oakray Limited have confirmed that they can deliver within the stated contract period.

Contract Management

- 2.10 The works contract will be managed by Ingleton Wood consultants as per the terms of the JCT Intermediate building contract 2016 form of contract and by Lambeth Project Managers. The JCT suite of contracts is an industry standard set of contracts suitable for works contracts of this nature. The works contract will prescribe that regular site visits are made. Each visit to site will be recorded and subsequent findings reported to the consultant and Lambeth Council (client) to enable appropriate action to be taken if required. Site progress meetings will be attended by the project delivery team.
- 2.11 Monthly project and update reports will be written and circulated to the project delivery team, along with relevant programme financial reporting.

3. FINANCE

- 3.1 The bidder proposed the sum of £444,021 to undertake these works. This project forms part of the Schools Capital Maintenance Programme funded by an annual SCA Grant allocation from Central

Government. The Capital Maintenance Programme is within the Programme pipeline for the Schools and Communities Major Capital Projects. The 2021/22 Capital Maintenance budget for Kingswood Primary is £495,000, and the estimate for the works of £444,021 can be contained within that budget.

3.2 There are no revenue budget implications arising from this capital project.

4. LEGAL AND DEMOCRACY

4.1 The authority to approve the recommendations in this report is delegated to the Strategic Director, Resident Services. Before exercising that authority, this paper should be reviewed by a category board.

4.2 Section 14 of the Education Act 1996 places a duty on the council as local education authority to secure that sufficient schools for providing primary and secondary education in its area. Sufficiency for the purposes of this section requires that they are sufficient in number, character, and equipment to provide for all pupils the opportunity of appropriate education.

4.3 The value of the proposed works is below the threshold above which the council would have been required to publish a contract notice in Find a Tender and follow a procurement procedure prescribed by the Public Contracts Regulations. In inviting tenders from a pre-qualified list of contractors the council has complied with its contract standing orders and with the principles of the public procurement regime.

4.4 The Council's Constitution requires that all key decisions, decisions which involve resources between the sums of £100,000 and £500,000, and important or sensitive issues, must be published on the Council's website for five clear days before the decision is approved by the Cabinet Member or Director concerned (Constitution, Part 2, Section 3). Any representations received during this period must be considered by the decision-maker before the decision is taken.

5. CONSULTATION AND CO-PRODUCTION

5.1 The Cabinet Member for Children and Young People has been consulted on the Capital Maintenance Programme and will continue to be engaged throughout the life of the programme. Staff, parents, and carers of the schools involved with this project have also been engaged and informed of the purpose for the project and the benefits it will bring to individual schools.

The Equalities Team has also been consulted and their view is positive, based on the EIA result which shows no adverse impact on any groups affected by the works.

6. RISK MANAGEMENT

6.1 The main risks that impede on the successful delivery of this procurement and contract are:

Item	Risk	Likelihood	Impact	Score	Control Measures
1	Total failure of M&E System	Unlikely	Major	16	To carry out the works to the system as soon as poss. The consultants have checked the system and report that it will continue to operate throughout the autumn and winter periods, however there may be instances of breakdowns due to the numerous leaks on the existing pipework.
2	Unforeseen works lead to programme delays and issues for school operation	Unlikely	Serious	8	Close liaison of contractor, engineer, school and PM is required to address these matters as they occur. Key ambition is to progress in a timely fashion but in a way which does not disrupt the activity of the school
3	Timescale	Unlikely	Serious	8	The Contractors are all specifically aware of the criticality of this matter and have prepared solutions to deliver on programme. In addition, thorough investigations of the existing systems any unforeseen works which could affected the time scale is considered unlikely.
4	Financial	Unlikely	Major	16	A contingency has been provided which should prove more than adequate to keep works within the overall budget. In addition, site investigation and tendering has been rigorous, designed to control the risk of unforeseen works or additional costs applied by the Contractor.
5	Continuity of school service	Unlikely	Major	16	Working on an occupied school is a very serious matter and any delays, risk of closure or incidents, no matter how caused, will be challenging to address positively.
6	Health and safety (Working in a live school environment)	Unlikely	Major	16	The nature of the school population has been made very clear to the contractor, and their approach to managing Health, Safety and

					Safeguarding has been well documented on previous projects of similar nature which they have worked on before.
7	Brexit	Unlikely	Significant	4	The works are scheduled to start in November 21 for approximately 26 weeks. A contingency plan and business continuity plan will be agreed with the contractor upon contract award, to minimise any risks.
8	Covid 19	Unlikely	Significant	4	The effects of Covid 19 could be significant. A national lockdown is unlikely to shut down the site. However, a Covid 19 outbreak on site will mean the site would have to shut down. This could cause delays. A Covid 19 business continuity plan will be sought from the contractor, upon contract award.

Key

Likelihood	Very Likely = 4	Likely = 3	Unlikely = 2	Very Unlikely = 1
Impact	Major = 8	Serious = 4	Significant = 2	Minor = 1

7. EQUALITIES IMPACT ASSESSMENT

7.1 An Equalities Impact Assessment (EIA) "The Schools Capital Maintenance Programme" dated 4 February 2020, was undertaken for the overall Capital Programme, and was assessed as Low Risk. The overall programme improves access to teaching and learning for all pupils within all the equality groups. The implementation of the programme addresses issues of condition, suitability, and sufficiency by providing improved facilities. As such, the main persons of interest are the pupils, staff of the schools, the surrounding community and Lambeth officers. There are no obvious barriers to service provision in terms of equality or diversity in the objectives of the programme. The EIA will be reviewed on an annual basis.

8. COMMUNITY SAFETY

8.1 There will be no impact on Community Safety.

9. ORGANISATIONAL IMPLICATIONS

Environmental

9.1 By the nature of the works the heating system will be more efficient thus improving the carbon footprint.

9.2 In their tender submission, the contractor demonstrated their commitment to support the council's sustainability initiatives. They confirmed their commitment to commitments to the use of renewable energy and reduction of energy usage include:

- Promoting environmental sustainability by reducing waste, elimination of single use plastics, limiting energy consumption and procuring sustainably sourced materials
- All energy procured from suppliers committing to 100% renewables.
- Site accommodation (site offices / welfare) are eco-cabins featuring high level insulation and other energy saving features, motion sensor controlled low energy lighting, efficient energy heating and water saving features.
- 110v electrically powered tools or plant used on site, providing recharging points as necessary.
- Will identify local suppliers for all minor consumables and use only environmentally friendly products.

Health

9.3 With the improvement of the M&E system the school will become warmer and have sufficient level of hot water. Health benefits to staff and children at the schools are expected to improve.

Corporate Parenting

9.4 It is important that all Lambeth schools are kept in a good state of repair and maintenance for the benefit of all children and staff. This includes children who are Looked After by Lambeth Council who have priority in most schools' admissions criteria.

Staffing and accommodation

9.5 N/A

Responsible Procurement

Good Quality Jobs with Fair Pay and Decent Working Conditions

9.6 It is a condition of the contract that all staff engaged on the project will receive the London Living Wage.

Quality Apprenticeships, targeted Employment for Lambeth residents and Lambeth Priority Group

9.7 To support Lambeth Council's Employment and Skills Plan, the contractor has pledged to offer apprenticeships to Lambeth residents, particularly BAME, young people aged 18-25, disabled and care leavers.

This will be achieved by advertising through local media, including Lambeth's website/social media platform and resident focused publications. They will also forward these opportunities to the London Borough of Lambeth's recruitment mentor. This will help to identify where employment and training will have the most positive impact within the Local community.

Reduce Emissions: Lambeth Council has a commitment to being Zero Carbon by 2030

9.8 The council has adopted a target of reaching net zero emissions in its buildings by 2030, and schools are a key component of this target.

The contractor is committed to Environmental and Energy Management, which includes educating fleet drivers to drive in a fuel conservative and environmentally conscious manner. The contractor also has an objective for workforce to move away from single occupancy vehicles. The contractor has made significant changes in their vehicle fleet with 100% of the vehicles being ULEZ compliant, with a view to have their company car fleet being fully electric/hybrid by 2022.

Single Use Plastics

- 9.9 Single use plastics are a challenge to the Construction Sector, particularly in terms of material packaging. As we are mindful of the need to reduce single use plastics, the contractor will be required to demonstrate how this will be implemented through their staff and any sub-contractors they appoint. This will be written into the contract with Oakray Limited upon appointment, to ensure the contractor adheres to the commitments made in the tender submission
- 9.10 ConstructionLine Gold Accreditation (Oakray Limited holds Gold accreditation) does require an embedded Environmental Management policy, including operative training as well as supplier monitoring. This will be written into the contract with Oakray Limited upon appointment, to ensure the contractor adheres to the commitments made in the tender submission.

Positive Health and Wellbeing

- 9.11 The works will benefit the building, resulting in warm building. This will have a positive impact on the children and staff.

Other Offers (Innovation)

- 9.12 As a part of Oakrays' Tender submission, under social value they have committed to a £5000.00 donation to the school for specific equipment gaps which will benefit the school and pupils.

10. TIMETABLE FOR IMPLEMENTATION

- 10.1 The table below details the stages and deadlines for implementing the recommendations.

Activity	Proposed Date
Publication on Decisions online	22 December 2021
Execution of Contract	Early Jan 2022
Mobilisation Period for Contract	Mid Jan 2022
Commencement of Contract	07/02/22

Audit Trail				
Name and Position/Title	Lambeth Directorate	Date Sent	Date Received	Comments in paragraph:
Councillor Edward Davie	Cabinet Member for Children and Young People	14.12.21	14.12.21	Whole Document
Bayo Dosunmu, Strategic Director	Resident Services.	14.12.21	14.12.21	Whole Document
Merlin Joseph, Strategic Director of Children's Services	Children's services	09.10.21	14.12.21	Whole Document
Sandra Roebuck, Director of Infrastructure and Capital Delivery	Resident Services.	17.11.21	18.11.21	Whole Document
Jo Sullivan-Lyons, Assistant Director, Education and Learning	Education and Learning	18.11.21	18.11.21	Whole Document
Helen Wordsworth Assistant Director, MPPG	Resident Services.	17.11.21	18.11.21	Whole Document
Greg Wade, Capital Programme Manager	Resident Services.	17.11.21	17.11.21	Whole Document
Paul Keenlyside, Climate Change and Sustainability - Technical Lead	Sustainable Growth and Opportunity	18.11.21	18.11.21	9
Andrew Ramsden, Assistant Director of Finance	Finance and Property	18.11.21	23.11.21	3
Michael O'Hora, Legal Services	Legal & Governance	18.11.21	19.11.21	4
Marianna Ritchie, Democratic Services	Legal & Governance	18.11.21	21.11.21	5
Candace Bloomfield, Category Manager	Procurement	18.11.21	21.10.21	Whole Document
Helen Lee, Senior procurement officer	Procurement	17.11.21	18.11.21	Section 2 Part 1,Part 2
John Moruzzi, Accountant	Finance and Property	18.11.21	23.11.21	3

REPORT HISTORY	
Original discussion with Cabinet Member	14.12.21
Report deadline	N/A
Date final report sent	N/A
Part II Exempt from Disclosure/confidential accompanying report?	No
Key decision report	No
Date first appeared on forward plan	Non Key
Key decision reasons	Non Key
Background information	AIMG Decision on Schools Capital Maintenance 2017
Appendices	Equalities Impact assessment (EIA)

APPROVAL BY CABINET MEMBER OR OFFICER IN ACCORDANCE WITH SCHEME OF DELEGATION

I confirm I have consulted Finance, Legal, Democratic Services and the Procurement Board, and taken account of their advice and comments in completing the report for approval:

Signature: _____ **Date:** _____

Post: Andre Gordon, Senior Project Manager

I confirm I have consulted the relevant Cabinet Members, including the Leader of the Council (if required), and approve the above recommendations:

Signature: _____ **Date:** _____

Post: Bayo Dosunmu, Strategic Director for Residents Services

Any declarations of interest (or exemptions granted): N/A

Any conflicts of interest: N/A

Any dispensations: N/A