

Cabinet Member delegated decision

Main Contract Award for Sudbourne Primary School Expansion Project (Main Works)

Ward: Brixton Hill

Date of Decision: 5 March 2015

Report Authorised by: Sue Foster, Strategic Director Delivery

Portfolio: Councillor Imogen Walker Deputy Leader (Policy)

Contact for enquiries:

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Report summary

This report seeks approval to appoint Quinn London Ltd the contractor for the main expansion works for Sudbourne Primary School. Sudbourne Primary School is currently operating as a 1.5 FE school and was identified as being able to permanently expand to a 3FE School. There is an acute shortfall of primary school places in the south of Lambeth and Sudbourne is located within this geographical location. Following delays in land acquisition, this report takes account of necessary revisions following the delay to the appointment.

This project is an expansion of the existing Sudbourne Primary School, on an additional site located nearby increasing the overall school capacity from a 1.5FE, to a 3FE school. The works involve the design and construction of a brand new 1.5FE teaching block, ICT infrastructure works and associated landscaping.

Finance summary

The capital cost code allocated for this project is 9124477 there is presently an allocated budget of £5.05m against this project with a further £2.2m to come through upon the successful transfer of land from Genesis Housing Group to Lambeth Council.

This report seeks approval to appoint Quinn London Ltd as the main contractor for the expansion of Sudbourne Primary School for a contract sum of £5,183,128.00. A project contingency as identified in Part 2 will be held by the Client and will only be accessed on the application of a change control process as set out in part 2.

Recommendations

1. That Quinn London be awarded the contract for the Sudbourne Primary School Expansion project for a contract sum of **£5,183,128.00**.
2. That a Client-held contingency is approved, details of which are included in Part 2 of this report.

Reason for Exemption from Disclosure

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

Information relating to the financial or business affairs of a particular person. (Including the authority holding that information).

1. Context

- 1.1 It has been identified that there is great demand for permanent primary school places in Lambeth, particularly in the south of the borough. Currently the demand for places exceeds the published admissions number, and the Council has had to add a number of additional temporary classes over the last 5 years to provide places for all applicants. The Council has a statutory duty to provide sufficient primary school places for everyone in the borough.
- 1.2 To address this need the Authority is proposing an expansion to the existing Sudbourne Primary School. Initial feasibility studies show Sudbourne as being capable of expansion to a 3 Form of Entry (FE) School by providing a new build expansion building on a nearby site and increasing the school from 1.5 to 3FE across both sites. The aim is to open the new school in February 2016 to support the addition of pupil places.
- 1.3 A planning application for the scheme was submitted in January 2014 and a decision notice granting permission was obtained in May 2014.
- 1.4 Five companies were invited to tender for the works. The works are above the OJEU threshold therefore a short listing exercise was carried out under OJEU Procedure to select five contractors. An OJEU notice for a number of projects went out with a number of contractors identified, following which a mini competition via a Pre-qualification process was done to determine their suitability.
- 1.5 The competitive tenders were invited in April 2014 for the proposed Works Contract at Sudbourne Primary School, with tenders returned in May. The period of validity expired in September 2014, following which Quinn London Ltd were asked for a refreshed Tender price as reflected within this report and appendices. They returned this in October and all other Tenderers were also asked to return refreshed tenders, which were received in November & December 2014.
- 1.6 This is a Gateway 3 Procurement Report

2. Proposal and Reasons

- 2.1 This project is an expansion of the existing Sudbourne Primary School from a 1.5FE to a 3FE school. The works involves the design and construction of a new 1.5FE teaching block, including associated demolition, ICT infrastructure works and associated landscaping.
- 2.2 The priced tender returns and Comparison of the Tender Summary are shown in Part 2 of this report.
- 2.3 During the tender period a mid-tender site meeting was held with all tenderers at the site. This allowed for the contractors to attend and familiarise themselves with the site before they submitted their tenders. All contractors attended site.
- 2.4 The contract is to be awarded on a price/quality ratio of 60:40. Each Tenderer's price was analysed and evaluated by Gardiner and Theobald (Cost Consultants) on the basis of individual

scores from the available 60% ratio in relation to the lowest priced Tender. At this stage any anomalies or omissions were highlighted and the contractors asked to confirm and clarify the situation in each case.

- 2.5 Detailed tender evaluations and scoring were carried out. The evaluation panel comprised the Lambeth's Programme Manager and Assistant Project Manager, the Design Team and an Employer's Agent from Gardiner & Theobald. All five tender returns were analysed by the team with regards to quality of the technical information submitted. The CDM Coordinator, also from Gardiner and Theobald and the Lambeth's Health and Safety Officer had undertaken a review of the submissions relating to Health and Safety and their scores were incorporated in the final scores. The Quality criteria notified to Tenderers in the tender documentation is based on a 30% ratio, which was to be followed by an interview assessment scored at 10%, giving a total quality score of 40%. The quality criteria are contained in Part 2 of this report.
- 2.6 The interview panel consisted of Lambeth's Programme Manager and Assistant Project Manager, Sudbourne's Head teacher and Employer's Agent/Cost Consultant, and Architectural Technical Advisor from the architects, HLM. Each member of the panel scored each contractor according to set criteria. A final score was agreed for each firm after moderation of the initial individual scores. Two tenderers declined the invitation to attend the interviews, and withdrew from the process. The remaining contractors were interviewed for the final quality assessment- this interview process was used to clarify the quality submissions, and for an opportunity to ask specific questions relating to those submissions directly. This final result is shown in the Evaluation Matrix appended to Part 2 of this report.
- 2.7 It is recommended that the tender received from Quinn London in the sum of £5,183,128.00 constitutes the most economically advantageous tender and should be approved for the award of the main construction contract for the Sudbourne Primary Expansion project.

3. Finance

- 3.1 The current approved budget for this project is £5.05m. The award of the contract to Quinn which is the subject of this report is dependent on the successful transfer of land from the Genesis Housing group to Lambeth Council which will generate a net capital receipt of £2.2M to bring the overall budget for this project to circa £7.25m. This is currently expected before the end of February.

4. Legal and Democracy

- 4.1 The Council has delegated the authority to enact this report's recommendations to the Cabinet Member, Policy. Before exercising that authority, the approval of the Procurement Board should be obtained.
- 4.2 The Contract Standing Orders state that contracts valued at £100,000 and more must be competitively tendered and this report sets out how this requirement has been met.
- 4.3 The EU procurement regime applies to this tendering exercise by virtue of the Public Contracts Regulations 2006. Under the regulations, contracting authorities must publish a contract notice in OJEU only if the estimated value of the works contract exceeds £4,348,350. The report's authors set out how officers complied with this regulation.
- 4.4 As soon as possible after making the decision to award the contract, the Council must provide a written notice to the unsuccessful bidders, naming the winning bidder and describing the characteristics and relative advantages of the successful tender.
- 4.5 The notice also has to state when the 'standstill period' is expected to expire and the date before which the Council will not enter into the contract.

- 4.6 This proposed key decision was entered in the Forward Plan on 26 July 2013 and the necessary 28 clear days notice has been given. In addition, the Council's Constitution requires the report to be published on the website for five clear days before the proposed decision is approved by the Cabinet Member. Any representations received during this period must be considered by the decision-maker before the decision is taken. A further period of five clear days - the call-in period - must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

5. Consultation and co-production

The School and local community have been consulted on this programme of work, through regular written updates and communication to the Head Teachers and nominated representatives who also attended meetings to discuss the scope of the project, in addition to Cabinet Member briefing. We have taken due notice of key dates in the school's calendar and we will continue to work closely with them to minimize risk and conflict when delivering the works on site and the proposed completion dates, ensuring that there is no disruption to the delivery of the curriculum during the contract period. The Head and Staff at the schools are supportive of the scheme.

6. Risk management

A project risk register has been established and will be maintained in conjunction with the works to be carried out by the Authorities Representative. The programme manager and project team will also be working and managing the consultants and the contractor to ensure that project review meetings are established, and to ensure that progress is as required. The main risks presently associated are detailed in the table below. Presently, the land ownership is high on the list, and this is currently expected to be completed by end of February.

These top risk ratings are currently *high*.

Risk Number	Title/Description	Causes	Consequences	Risk Owner
1	Unaffordable stakeholder aspirations	Initial Control option not affordable/ planning condition	Financial impact or unable to obtain school sign off for planning	LBL
2	Legal searches and red line boundary	Lack of information regarding legal titles on site and position of boundary	Completely abortive design and/or redesign of elements required by the Design Team	LBL
3	Site ownership	Failure to complete land swaps within 1 month	Delay to enabling works, leading to consequential delay to project	LBL
4	Current vehicular access to North of site	Access over current North RoW required until completion of construction phase	Unable to utilize modular construction leading to increased programme and costs.	LBL
5	Planning	New planning application delayed due to information requirements/local opposition	Delay to programme	Design Team/LBL

7. Equalities impact assessment

- 7.1 An equalities impact assessment has been carried out for the programme of works on the Primary Schools and this has been rated as 'LOW'.
- 7.2 During the thorough consultation process, reference has been made to Special Educational Needs provision and the Schools Education Strategy fed in to this. Any issues that have arisen have been incorporated into the design. All elements such as Special Educational Needs have been identified through contribution from Head Teachers and school staff.

8. Community safety

8.1 None

9. Organisational implications

The project will see the creation of Primary School places to provide much needed additional school places within the borough. It will improve and address the sustainability, Social, economic, and environmental issues associated with a school and building of this nature and age.

9.1 Environmental

The works specified is an extension to the existing Sudbourne facilities and is to be constructed on a separate site, with no implications for the working school. This will mean no disruption to the school.

9.2 Staffing and accommodation

There are no direct staffing implications but the additional accommodation provided through the scheme will benefit all users, making the school a much improved environment.

9.3 Procurement

The project will increase the capacity by providing much needed additional school places in the borough; and improve the facilities required for a good learning environment. The project will address the social, sustainability, economic and environmental issues as follows:

- **Social Sustainability:** Contractually, the contractor is required to comply with local law with respect to employment, in addition to the Public Sector Supplement for fair payment terms and conditions.
- **Economic:** Although contractors operate their own supply chains, the contractor will source local supplies and labour where it is practical and cost effective to do so.
- **Environmental:** The contractor is expected to achieve improvements through energy efficient operating systems, and requirements for the use of materials from sustainable sources. The project is expected to achieve a BREEAM rating of 'very good'. Tenderers were notified of the Council's Sustainable Construction policy and Sustainable Timber policy to back up specific requirements in the contract clauses on choice of materials, products and construction operations that have an environmental impact.

9.4 Apprenticeships

In their submission the contractor has confirmed their willingness to work with relevant agencies and institutions to take up offers on its apprenticeships and training schemes.

9.5 London Living Wage (LLW)

The contractor has been asked to confirm that they are London Living Wage compliant. We await this confirmation.

9.6 Health

None

10. Timetable for implementation

10.1 The table below shows the stages, milestones and deadlines for implementing the contract.

#	Item Description	Date
1	Procurement Board Meeting	5 th February 2015
2	Complete Land Transfer	February 2015
3	Appoint Contractor	March 2015
4	Commence works on site	April 2015
5	Practical Completion	June 2016
6	End of defects period and release of retention sums	June 2017

10.2 The works contract will be jointly managed by Gardiner & Theobald, employers agent for this scheme, and BGR Project Team. The contract prescribes that regular site visits are held, in addition to monthly site progress meetings attended by the complete delivery team.

Audit trail				
Consultation				
Name/Position	Lambeth cluster/division or partner	Date Sent	Date Received	Comments in para:
Sue Foster / Strategic Director - Delivery	Business Growth & Regeneration	24/02/15	25/02/15	
Mike Pocock / Delivery Director – Business Growth & Regeneration	Business Growth & Regeneration	29/01/15	09/02/15	Throughout
Alan Fleming, Programme Director	Business Growth & Regeneration	27/01/15	29/01/15	Throughout
Peter Dawes / Commercial Manager	Business Growth & Regeneration	27/01/15	29/01/14	Throughout
Sylvester Eyong / Programme Manager	Business Growth & Regeneration	15/01/15	20/10/14	Throughout
Finance clearance	Business Partnering	15/01/15	27/01/15	3 & Financial summary
Wayne Chandai Democratic Services	Enabling: Corporate Affairs: Democratic Services	15/01/15 27/01/15	20/01/15 30/01/15	4.6
Michael O’Hora / Legal	Enabling: Integrated Support: Legal Services	15/01/15	20/01/15	4.
Procurement Board		05/02/15		
Departmental Procurement	Enabling	04/11/14 20/01/15	04/11/14 20/01/15	
Cllr Imogen Walker	Cabinet Member (Briefing 9 th Feb 2015)	09/02/15	09/02/15	Throughout

Report history	
Original discussion with Cabinet Member	11/12/13

Report deadline	
Date final report sent	
Report no.	
Part II Exempt from Disclosure/confidential accompanying report?	Yes
Key decision report	Yes
Date first appeared on forward plan	26.07.14
Key decision reasons	2. Expenditure, income or savings in excess of £500,000 and 3. Meets community impact test
Background information	Invitation to Tender.
Appendices	

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** _____

Sylvester Eyong

Capital Programme Manager, Business Growth and Regeneration

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

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

Signature _____ **Date** _____

Councillor Imogen Walker

Deputy Leader of the Council

Any declarations of interest (or exemptions granted): none