



Havering
LONDON BOROUGH

17/4/15
DECISION
TO BE
MADE

Notice of KEY Executive Decision

Subject Heading:	Authorisation to award a contract to Valuegrade for the construction of a stand alone building for infant school and extension to existing nursery..
Cabinet Member:	Councillor Robert Benham, Lead Member for Children & Learning
CMT Lead:	Tim Aldridge, Director of Children's Services
Report Author and contact details:	Andy Skeggs Head of Technical Services Andy.skeggs@onesource.co.uk 01708 433600
Policy context:	Schools expansion programme to meet increasing demand for school places.
Financial summary:	The Capital Programme includes an allocation of £1,650,000 for infant expansion and £419,024 for the nursery (which grant funding from the Education Funding Agency of £314,268. Total Budget available £2,069,024. Costs estimated at £1,565,576 including proposed contract award of £1,191,734.
Reason decision is Key	Expenditure or saving (including anticipated income) of £500,000 or more.
Date notice given of intended decision:	Not applicable
Relevant OSC:	Children and Learning
Is it an urgent decision?	No
Is this decision exempt from being called-in?	No

The subject matter of this report deals with the following Council Objectives

Havering will be clean and its environment will be cared for	<input checked="" type="checkbox"/>
People will be safe, in their homes and in the community	<input type="checkbox"/>
Residents will be proud to live in Havering	<input checked="" type="checkbox"/>

Key Executive Decision

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

Authorisation to award a contract to Valuegrade Ltd. in the sum of £1,191,734 for the construction of a stand alone building for infant school and extension to existing nursery..

AUTHORITY UNDER WHICH DECISION IS MADE

Authority for member of CMT under Section 3 of the Constitution as follows

Contract powers

(b) To award all contracts with a total contract value of between £164,176 and £5,000,000.

STATEMENT OF THE REASONS FOR THE DECISION

Need for School places

Havering, in common with the many other London Boroughs and urban areas is currently experiencing an increase in demand for school places. This increase in demand is due to rising birth rates in Havering and families moving into the borough from other parts of London, the UK and abroad. All Local Authorities including Havering have a statutory duty to ensure that there are enough school places available in the borough to accommodate all children who live in the borough and might require one. The increase in demand for school places has meant that in some areas of Havering, the demand for places is higher than the number of places available.

Crownfield Infant and Junior schools are located in the Collier Row School planning area. The school roll projections for this planning area is as shown in the table below;

Collier Row planning area

cademic Year	Reception places available	Projections			Projections with housing		
		Projected Reception intake	Surplus/ Deficit of places	Surplus/ Deficit of places as FE	Projected Reception intake	Surplus/ Deficit of places	Surplus/ Deficit of places as FE
2016/17	525	518	7	0	519	6	0
2017/18	525	528	-3	-0	529	-4	-0
2018/19	525	544	-19	-1	545	-20	-1
2019/20	525	556	-31	-1	556	-31	-1
2020/21	525	554	-29	-1	554	-29	-1

Demand for places across this area has been high with a projected deficit as shown above. Almost all the schools in this planning area have already been expanded. However, due to the sustained and increasing demand, a further permanent expansion in this area is required.

Key Executive Decision

Both Crownfield Infants and Junior Schools are popular and good schools thus been agreed as an appropriate location for additional numbers to be accommodated. The governing body of the Infant and Junior schools agrees with the proposal in-principle and supports a permanent solution with enhanced facilities suitable for the proposed increase in pupil numbers

The permanent expansion of both schools from three to four forms of entry is necessary in order to ensure that we fulfil our statutory duty of securing sufficient school places to meet the needs of children and families in Havering.

Procurement

7 contractors were invited to tender on the basis of a JCT Design and Build Contract 2016. 4 contractors returned tenders and these have been assessed on a 70/30 cost/ quality basis as follows:

	Cost (£)	Score	Quality	Total
Contractor A	1,191,734	100	75.3	92.7
Contractor B	1,199,746	99.3	63.8	88.7
Contractor C	1,370,614	86.9	67.2	81.0
Contractor D	1,683,018	70.8	73.4	71.5

Valuegrade (Contractor A) has also confirmed that it can deliver a part provision of 1 classroom for September subject to early formal instruction. The tender submitted is considered to be competitive and bona fide and is therefore recommended for approval.

A performance bond for this contractor is not considered to be required in view of its excellent performance in carrying out contracts for Havering over several years and the retentions held as part of the JCT Design and Build Contract arrangements.

OTHER OPTIONS CONSIDERED AND REJECTED

This project has been tendered in accordance with the Contract Procedure Rules

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Andy Skeggs

Designation: Head of Technical Services

Signature:  Date: 14th June 2017

Key Executive Decision

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The proposed contract value is below the EU threshold for Works contracts and accordingly the procurement needs only to comply with the treaty principles of equal treatment, non-discrimination and transparency and the Council's Contract Procedure Rules (see CPR 13, 18 and 24) .

The proposed Works Contract does not fall within the full rigours of the Public Contracts Regulations 2015.

The body of the report indicates that a tender exercise has been undertaken and evaluated by the department as required by CPR 13..

FINANCIAL IMPLICATIONS AND RISKS

Total Costs

Breakdown of costs

Works (Contract award)	1,191,734
Fees and charges	119,173
FF&E	43,000
Accommodation works	211,669
Project costs in total	1,565,576

Funded by:

School Expansion Programme re Infant Expansion	£1,650,000
School Expansion Programme re Nursery	£419,024*
Total funding	£2,069,024.

* This comprises of £314,268 grant from Education and Skills Funding Association and a 25% contribution from the Council of £104,756 giving a total of £419,024.

The surplus of £503,448 will be returned to the school expansion programme contingency.

This will help to ensure there is sufficient balance within the schools expansion phase 3/4 contingency budget, and will be vired by the Project Manager according to the capital virement rules.

Risks

As with most capital schemes, there is a risk that the scheme could overspend due to issues arising during the build process, however given the size of the works, and previous experience of the contractor any significant overspend is unlikely. Any small issues arising can be funded from the remaining contingency budget within the school phase 3/4 expansion programme.

Spend related to the grant needs to be evidenced properly, should this not be the case, we may have to return any part or total of the grant to the ESFA. This has been mitigated by keeping separate build costings of each area in order to demonstrate cost against grant claimed and these are expected to match the estimates agreed as part

Key Executive Decision

of the grant funding. Other conditions exist, but will not affect ESFA's commitment to supporting nursery place provision and the level of grant awarded.

A key element of this contract and grant award is to deliver more nursery places by September 2017, to this end a clause for liquidated and ascertained damages is included within the contract that requires the Contractor to cover costs incurred by the Council/ school in the event of failing to deliver to programme.

As with all contracts there is a risk to contractor delivery/continued operation. However the contractor selection process will partly mitigate this risk, along with careful project management.

Sam Gable, Strategic Finance Business Partner.

**HUMAN RESOURCES IMPLICATIONS AND RISKS
(AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)**

There are none

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The new provision will have a positive benefit in facilitating opportunities for children to achieve their full potential.

Full Equality Impact Assessments will be carried out regarding this and all future development and expansion projects

BACKGROUND PAPERS

There are none

Key Executive Decision

Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Delete as applicable

Proposal NOT agreed because

Details of decision maker

Signed

Name: Tim Aldridge

Head of Service title Executive Director for Children and Adult Services

Date:

Lodging this notice

The signed decision notice must be delivered to the proper officer, Andrew Beesley, Committee Administration & Interim Member Support Manager in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____