



**Notice of KEY Executive Decision**

<b>Subject Heading:</b>	Authorisation to award a contract to Haynes & Smith for the construction of a 2 storey stand-alone class room block with associated accommodation and first floor infill extension.
<b>Cabinet Member:</b>	Councillor Robert Benham, Lead Member for Children & Learning
<b>CMT Lead:</b>	Tim Aldridge, Director of Children's Services
<b>Report Author and contact details:</b>	Andy Skeggs Head of Technical Services <a href="mailto:Andy.skeggs@onesource.co.uk">Andy.skeggs@onesource.co.uk</a> 01708 433600
<b>Policy context:</b>	Schools expansion programme to meet increasing demand for school places.
<b>Financial summary:</b>	The Capital Programme includes an allocation of £3,250,000 for an expansion to 3FE.
<b>Reason decision is Key</b>	Expenditure or saving (including anticipated income) of £500,000 or more.
<b>Date notice given of intended decision:</b>	November 2017
<b>Relevant OSC:</b>	Children and Learning
<b>Is it an urgent decision?</b>	Yes
<b>Is this decision exempt from being called-in?</b>	No

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

- Havering will be clean and its environment will be cared for
- People will be safe, in their homes and in the community
- Residents will be proud to live in Havering

## Part A – Report seeking decision

### DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

Authorisation to award a contract to Haynes and smith Ltd. in the sum of £2,759,139.39 for the construction of a 2 storey stand alone class room block with associated accommodation and first floor infill extension.

### AUTHORITY UNDER WHICH DECISION IS MADE

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

#### **Contract powers**

(b) To award all contracts with a total contract value of between £500,000 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.

Demand for places across this area has been high with a significant projected deficit. 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.

Broadford Primary School is an outstanding school and has accordingly been agreed as an appropriate location for additional numbers to be accommodated. The governing body 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 two to three forms of entry is necessary in order to ensure that the Council is able to fulfil its statutory duty of securing sufficient school places to meet the needs of children and families in Havering.

#### **Procurement**

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

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The Qualification Element shall be qualified with the following documents:

- Form of Tender;
- Certificate of Bona Fide Tender, Non Collusion & Non Canvassing;
- Insurance Certificates;
- Safety & Security Method Statement

The Commercial Element shall be evaluated through a Contract Sum Analysis arithmetical review and comparison report.

The Quality Element shall be evaluated considering some or all of the headings below (weightings to be determined – included as guidance only) as the sum of the response to the following Technical Questions :

T1 – Site Logistics - 15%

T2 – Staffing – 10%

T3 – Programming – 10%

T4 – H&S Site – 5%

T5 – Sustainability – 5%

T6 – Project Risk – 25%

T7 – Value – 10%

T8 – Quality Control – 5%

T9 – Liaising – 5%

T10 – Financial Control - 10%

#### **Results of the Evaluation**

	Cost (£)	Score	Quality	Total
Contractor A	3,524,559	54.78	24.7	79.59
Contractor B	2,759,391	70	20.5	90.50
Contractor C	3,386,176	57.13	12.34	69.47
Contractor D	3,076,682	62.89	24.01	87.61

Haynes and Smith (Contractor B) has also confirmed that it can deliver the accommodation by November 2018 subject to early formal instruction.

The tender has been checked by Jacobs, the Council's building professional consultant. The tender report is attached as an exempt appendix (due to the commercial sensitivity). Jacobs has confirmed that all works have been fully priced at reasonable rates. This contractor has successfully completed five projects for schools within the Borough in recent years at similar rates.

The tender submitted is considered to be competitive and bona fide and is therefore recommended for approval.

#### **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: 11<sup>th</sup> November 2017

## Part B - Assessment of implications and risks

### LEGAL IMPLICATIONS AND RISKS

Part 3, section 3.3 of Havering's Constitution permits members of the Senior Leadership Team (SLT) to approve the award of all contracts with a total contract value between £500,000 and £5,000,000.

As a Local Education Authority, the Council has a statutory duty to secure that sufficient schools are available for their area as set out in section 14(1) of the Education Act 1996. Technical Services seek to procure these Works in accordance with this duty.

The proposed contract value is below the EU threshold for Works contracts governed by the Public Contracts Regulations 2015. The Council is therefore under no obligation to advertise the contract opportunity in the OJEU.

In accordance with CPR 13, officers instead invited seven organisations from Constructionline. Although only four organisations submitted tenders, officers are satisfied that the number of candidates was sufficient to ensure genuine competition.

All Contracts with a value above £150,000 along with any collateral warranties will need to be sealed. This should be carried out by Legal Services.

### FINANCIAL IMPLICATIONS AND RISKS

Total Costs	£
Breakdown of costs	
Works (Contract award)	2,759,139
Fees	275,913
Surveys and charges	28,900
Contingency	100,000
FF&E	86,000
Project costs in total	3249952
Funded by:	
School Expansion Programme re Infant Expansion	£3,000,000
School Expansion Programme re Nursery	£250,000
Total funding	£3,250,000

The capital allocation is therefore sufficient to meet the total cost of the scheme

#### 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

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issues arising can be funded from the remaining contingency budget within the school phase 3/4 expansion 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

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**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

Executive Director for Children and Adult Services

Date: November 2017 30<sup>th</sup>.

**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 30/11/2017.

Signed 