



Notice of KEY Executive Decision

Subject Heading:	Authorisation to award a contract to Havering Building Specialists for the construction of a six classroom extension and first floor infill to Hylands Primary School
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 £2,500,000 for the proposed expansion works.
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?	Yes
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
- 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 Havering Building Specialists Ltd. in the sum of £1,940,903.54 for the construction of a 2 storey extension and infill expansion

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.

Hylands Primary is a popular, good school and has been agreed as an appropriate location for additional numbers to be accommodated. The governing body of the school agrees with the proposal and supports a permanent solution with enhanced facilities suitable for the proposed increase in pupil numbers

The permanent expansion from two to three forms of entry is necessary in order to ensure that the Council fulfils its 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 this is considered to be sufficient for genuine competition. These have been assessed on a 70/30 cost/quality basis as follows:

	Cost (£)	Score	Quality	Total
Contractor A	1,940,903	70	24	94
Contractor B	2,368,485	57.37	23.4	80.7
Contractor C	2,544,767	53.39	24	77.39
Contractor D	2,644,486	51.37	24.3	75.67

HBS (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.

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)	1,940,904
Fees, charges and surveys	216,090
FF&E	72,000
Accommodation works and design contingency	235,000
Project costs in total	2,463,994

Funded by:

School Expansion Programme re Primary Expansion £2,500,000

The surplus of £36,006 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 utilised across the schools expansion programme in accordance with 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.

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.

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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: 24th March 2018

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**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
Director of Children's Services

Date: 9th April 2018

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 9/4/2018.

Signed P.P. R.R.