



Notice of KEY Executive Decision

Subject Heading:	Authority to award a contract in relation to the construction of a school expansion at Mead Primary School
Cabinet Member:	Councillor Robert Benham – Cabinet Member for Education, Children’s and Families and Deputy Leader of the Council
SLT Lead:	Robert South – Director of Children’s Services
Report Author and contact details:	Ian Saxby – Head of Technical Services Telephone: 01708 433529 Email: ian.saxby@onesource.co.uk
Policy context:	<u>Communities</u> We want to help our residents to make positive lifestyle choices and ensure a good start for every child to reach their full potential. We will support families and communities to look after themselves and each other, with a particular emphasis on our most vulnerable residents.
Financial summary:	This report seeks authorisation to award a construction contract in the sum of £1,459,705.04. Cabinet has approved an allocation of £4,000,000 for the expansion costs for Mead Primary School & Nursery. The balance on this account of £1.9M shall cover the costs of the present project, which are broken down in the body of the report.
Reason decision is Key	Expenditure or saving (including anticipated income) of £500,000 or more.
Date notice given of intended decision:	22.06.2020

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Relevant OSC:	Children & Learning Overview and Scrutiny Committee
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

Communities making Havering
Places making Havering
Opportunities making Havering
Connections making Havering

Key Executive Decision
Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

That the SLT Member approve the award a contract to Havering Building Specialists (HBS) Ltd, for the designing and building of the School Expansion Works at the Mead Primary School, for the reasons set out within the body of the report, at a contract sum of £1,459,705.04, for a period of 50 weeks, with an estimated commencement date of April 2020. The proposed form of contract to be the JCT Design & Build Contract 2016 with the Council's Supplemental Amendments.

AUTHORITY UNDER WHICH DECISION IS MADE

3.3 Powers of Members of the Senior Leadership Team

Members of the Senior Leadership Team (SLT) have delegated authority to act as follows within the assigned service service/portfolio of responsibilities, subject to the general provisions and limitations set out in section 3.1 above.

Contract powers

(b) To award all contracts with a total contract value of between £500,000 and £5,000,000 other than contracts covered by Contract procedure Rule 16.3.

STATEMENT OF THE REASONS FOR THE DECISION

The purpose of the contract which is subject to this decision is to provide an extension to the Mead Primary School to provide additional teaching spaces to support the School expansion.

The building works are relatively straightforward and comfortably within the competence and capability of local contractors. This procurement route has resulted in value for money as evidenced by the comparative costs being evaluated by the EFA to be in the lower quartile of bids received.

The decision to carry out these works to fulfil the Council's statutory requirements (to provide school places for the residents) has been taken at the School Expansion Board, where the expansion of different schools is considered and decided upon.

Seven contractors from Construction Line were invited to tender on the basis of a Single Stage JCT Design and Build Contract 2016 with amendments. Four offers were returned and these have been assessed by a panel of officers from Technical Services and the strategic procurement unit on a 30 Quality /70 Price basis as follows:

Contractor	Technical 30%	Cost %	Total %	Ranking
Contractor A	26.1	61.852%	87.952%	2
HBS Ltd	27	70.000%	97.000%	1
Contractor B	16.8	64.617%	81.421%	3
Contractor C	25.2	55.622%	80.826%	4

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The tender submitted by Havering Building Specialists (HBS) Ltd is considered to be the most economically advantageous tender and is therefore recommended for approval.

Four tender returns on a contract of this value are deemed to provide sufficient commercial competition. This was confirmed in writing by the Head of Procurement. Moreover the tender returns were in line with the pre tender estimates and the budgeted costs, which confirms the competitiveness of the returns.

Mead PS Expansion Works – Tentative Programme of the Works

<i>Contract Award</i>	<i>April 2020</i>
<i>Commencement of the Works</i>	<i>May 2020</i>
<i>Envisaged End of Works</i>	<i>February 2021</i>
<i>Handover and Contract Closure</i>	<i>thereafter</i>
<i>School in Occupation</i>	<i>thereafter</i>

OTHER OPTIONS CONSIDERED AND REJECTED

The option of undertaking an OJEU tender process was considered, but was rejected as the value of the contract was under the EU Threshold. Other suitable framework agreements were also considered, but rejected as it was considered better value for money to adopt the chosen route.

An option for temporary accommodation (both purchased, and rented) was considered and dismissed as this would lead to ongoing costs, planning concerns and building quality issues.

Design option appraisals for this specific site and design solution are available upon request.

E-Auctions have been considered and rejected.

Doing nothing would lead to the Council failing in its statutory obligations to provide school places within the Borough.

PRE-DECISION CONSULTATION

Consultation has taken place with a number of relevant key stakeholders. In addition to this, consultation has taken place with the finance, legal and the Strategic Procurement Unit. Local residents were also consulted via the Planning Process and members were invited to approve the scheme as part of the Cabinet/ Full Council process.

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

Name: Ian Saxby

Designation: Head of Technical Services

Signature:



Date: 16th June 2020

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Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

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 out of the seven organisations submitted tenders, officers are satisfied that the number of candidates was sufficient to ensure genuine competition.

The Local Government Act 1999, requires the Council to make arrangements to achieve best value in the exercise of its functions. Officers have satisfied themselves that the bid submitted by Havering Building Specialists (HBS), represented the most economically advantageous tender for the Council overall.

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

Estimated Project Costs

Cabinet Agreed Funding for Mead PS and Nursery Expansion Works	£ 4,000,000
Account balance (budget for the present project)	£ 1,900,000
Contract Sum (to be awarded under this K-ED) including Contract Contingencies	£ 1,459,705.04
Provisional Sum for Kitchen Expansion Works & Equipment	£ 95,000
Surveys and Report Costs	£ 20,000
Technical Services Fees	£ 182,463.13
Project Contingency	£ 142,831.83
Total Project Costs	£ 1,900,000

Risks

As with most capital schemes, there is a risk that the scheme could overspend due to issues arising during the build process, this risk is mitigated via a contract administration procedure as set out within the JCT Design and Build 2016 (with Amendments) that provides constant monitoring and final cost forecasting. Any issues arising can be funded from the client contingency sum.

There exists a risk of delays as with any major building project, but this will be mitigated by a scrutinised critical path programme issued to the Contract Administrator and all the shareholders and reviewed against the on-site progress at four weekly and ad hoc meetings.

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

Key Executive Decision

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

There are no implications associated with this decision.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, and sexual orientation.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

An EqHIA (Equality and Health Impact Assessment) is usually carried out when a current or planned service/policy/activity is likely to affect staff, service users, or other residents. It is acknowledged that in emergency or urgent situations it will not always be possible to carry out an EqHIA in advance of a relevant activity, however, managers will undertake the required EqHIAs at the earliest opportunity. Where managers are already clear that protected groups/users will be impacted negatively by the intended activity, then this will be noted in the next paragraph and/or put into EqHIAs. Where the negative impact of the intended activity can be mitigated, this too should be set out in this report and/or the EqHIA.

In all situations, urgent or not, the Council will seek to ensure equality, inclusion, and dignity for all.

As required during the School Expansion Statutory Process the Schools Organisation and Place Planning team, with advice from the Corporate Policy & Diversity Team, has carried out a consultation and an EIA which has outlined how all the protected characteristics shall be influenced either positively or neutrally by the proposed school expansion programme. Any recommendations arising from the consultation and the EIA have been included within the project subject of the present ED. Therefore no further EIA is carried out for the purposes of the present ED.

BACKGROUND PAPERS

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

Details of decision maker

Signed 

Name: Robert South, Director of Children's Services

Date: 16.06.20

Lodging this notice

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Democratic Services Officer in Democratic Services, in the Town Hall.

<p>For use by Committee Administration</p> <p>This notice was lodged with me on _____</p> <p>Signed _____</p>
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