



## Notice of KEY Executive Decision containing exempt information

This Executive Decision Report is part exempt and Appendix A is not available for public inspection as it contains exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government Act 1972. It is exempt because it refers to information relating to financial or business affairs of a particular person (including the authority holding that information) and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

<b>Subject Heading:</b>	Authority to award a contract for the construction of the replacement of a dilapidated (classroom) block building at Parklands Junior School
<b>Decision Maker:</b>	Robert South – Director of Children’s Services
<b>Cabinet Member:</b>	Councillor Robert Benham – Cabinet Member for Education, Children’s and Families and Deputy Leader of the Council
<b>SLT Lead:</b>	Robert South – Director of Children’s Services
<b>Report Author and contact details:</b>	Ian Saxby – Head of Technical Services Telephone: 01708 433529 Email: <a href="mailto:ian.saxby@onesource.co.uk">ian.saxby@onesource.co.uk</a>
<b>Policy context:</b>	Supports educational outcomes within the broader opportunities context of the Havering Vision
<b>Financial summary:</b>	This report seeks authorisation to award a construction contract in the sum of £1,384,063.61. Further details are provided in the body of the report.

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<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>	20 <sup>th</sup> October 2021
<b>Relevant OSC:</b>	Children & Learning Overview and Scrutiny Committee
<b>Is it an urgent decision?</b>	No
<b>Is this decision exempt from being called-in?</b>	No

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

Communities making Havering	<input checked="" type="checkbox"/>
Places making Havering	<input type="checkbox"/>
Opportunities making Havering	<input type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

### **Part A – Report seeking decision**

#### **DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION**

To agree to award a contract for the design and build of the replacement of a dilapidated (classroom) block building at Parklands Junior School, to Valuegrade Ltd at a value of £1,384,063.61, with an estimated commencement date in July 2022. The contract length is anticipated to be 36 weeks.

#### **AUTHORITY UNDER WHICH DECISION IS MADE**

##### **Part 3 of the Council’s Constitution**

##### **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.

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### **STATEMENT OF THE REASONS FOR THE DECISION**

The purpose of the contract which is subject to this decision is to provide a replacement teaching block containing 4 classrooms and ancillary accommodation and demolish the existing dilapidated teaching block. The proposed form of contract is going to be the JCT Design & Build Contract 2016 with the Council's Supplemental Amendments.

Approval to commence tender was given on 28<sup>th</sup> May 2021.

Since the Executive Decision to approve this procurement route, a tender exercise has been carried out based on a JCT Design and Build contract through the Fusion portal. In line with the Council's Contract Procedure Rules (CPR), the list of tenderers was sought from Constructionline, and seven suppliers were invited to submit bids. The construction market remains highly competitive at this point in time.

During the tender exercise seven contractors were invited to tender and four returned a priced offer. Three bidders declined to tender due to ongoing work commitments. The quality level of the bids in the tender was satisfactory. Further details of the tender process (including the price and scoring information) are set out in **Appendix A**, attached to this report. As a result it is proposed to appoint the contractor with the highest scoring compliant bid to undertake the works, namely Valuegrade Ltd.

### **OTHER OPTIONS CONSIDERED AND REJECTED**

Doing nothing would lead to the Council failing in its statutory obligations to provide sufficient schools in its area, meaning schools need to be sufficient in number, character and equipment to provide for all pupils the opportunity of an appropriate education in accordance with section 14 of the Education Act 1996. These classrooms are in current use as part of the curriculum and so must be replaced to support the pupil numbers on roll.

Temporary repairs have been made following complaints from parents and staff. Further repair is not a viable option.

E-Auctions have been considered and rejected as a procurement option as competitive tender provides a more effective tool in Construction tendering

### **PRE-DECISION CONSULTATION**

Consultation has taken place with a number of relevant key stakeholders. In addition to this, there has been engagement with the finance, legal and the Strategic Procurement units. Local residents were also consulted via the Planning Process (Planning permission granted 15<sup>th</sup> October 2021, reference P1564.21) 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

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Signature:

A handwritten signature in black ink, consisting of several overlapping loops and a series of horizontal strokes at the end.

Date: 11 March 2022

## Part B - Assessment of implications and risks

### LEGAL IMPLICATIONS AND RISKS

1. The Council must ensure that sufficient schools are available in its area, meaning schools need to be sufficient in number, character and equipment to provide for all pupils the opportunity of an appropriate education in accordance with section 14 of the Education Act 1996. The Council needs to ensure appropriate buildings are used to comply with this duty. The Council has the power to procure a contract for this work through section 111 of the Local Government Act 1972, which allows the Council to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions, or through its general power of competence under section 1 of the Localism Act 2011 to do anything that individuals generally may do. There are limitations on the general power of competence, but the limitations do not apply to this decision.
2. The value of the contract is the below the applicable works contract threshold stipulated in the Public Contracts Regulations 2015 (“PCR”) of £5,336,937 (including VAT). Therefore this contract is not subject to the full PCR regime.
3. For the reasons set out above, the Council may agree to the recommendation for the entering into the contract as detailed in Part A of this report.

### FINANCIAL IMPLICATIONS AND RISKS

#### Estimated Project Costs & Source of Funding

##### Project Costs

Contract Sum (to be Awarded under this ED)	£1,384,063.61
FF&E (Including ICT)	£ 30,000.00
Fees (Including Planning Fees, Tech. Services, Surveys etc)	£ 133,155.28

**Total Project Cost £1,547,218.89**

*Project Contingency (within contract sum)* £ 55,000.00

##### Project Funding

Budget Code C31190	<b>£1,261,000</b>
Budget Code C38340	<b>£ 300,000</b>
Total	<b>£1,561,000</b>

Havering LA are responsible for maintaining school buildings therefore an approved budget of £1,561,000 has been set aside from the LA School Condition Allocations (SCA) 2020/21 and 2021/22

##### 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.

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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.

### **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.

### **HEALTH AND WELLBEING IMPLICATIONS AND RISKS**

The extension to the existing building to provide replacement classrooms and ancillary spaces will provide significantly better facilities for the staff and pupils. This will positively impact the school experience by improved quality of the building and classrooms. There is no change to the levels of staffing as the number of pupils will remain as existing.

The construction of the extension has been planned such that the children will be impacted as little as possible by the noise, however provision has been made when required to move those directly impacted by the development when the internal remodelling works are carried out. This is fully considered within the contractor's programme. In addition as part of the works, raised planters will be installed to be used as part of the school's curriculum, which will benefit both with visual impact (rather than just tarmacadam playground) and from an educational point of view.

Construction traffic and general noise mitigation has been considered within the planning application and the appointed contractor will strictly adhere to these requirements.

### **ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS**

#### *In general*

The project subject of this relates to improving building efficiency within the educational asset portfolio and delivers a modern and efficient facility which is substantially more efficient and more environmental than the rest of the educational portfolio.

The following sections outline the environmental and climate change considerations that have been addressed as part of the building design and procurement of the construction contract which is subject to the present report. This has been divided into design considerations and contractor selection considerations.

#### *Design element*

The design was carried out by professional architects, who recognise, as the Royal Institute of British Architects has declared, that the climate emergency is the most pressing professional challenge of this generation, and that it should receive proportionate attention and care.

Designs have been carried out following the latest and most up to date tools and advices arising from the RIBA, the BRE, the Ministry of Housing, Communities and Local Government (now the Department for Levelling up) and other professional and advisory bodies.

The impact of carbon emissions has been considered as part of the design. Designers of this building are fully aware that the built environment is responsible for a large part of the carbon emissions in Great Britain. Current figures estimate that 47% of carbon emissions arise from the built portfolio. This includes space heating and electricity. The design proposed seeks to reduce space heating related carbon emissions by improving the fabric of the building; by reducing dissipation of heating, we minimise the need for fuel to heat spaces. Furthermore, this educational design has been carried out with particular attention to natural lighting and ventilation. This has the effect of minimising energy spent for artificial lighting and mechanical

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ventilation. Where artificial lighting is required, the design has privileged LED lighting which delivers an energy saving of around 75% and is designed to last up to 25 times longer than incandescent lighting. In light of the above, the targets of energy performance of the building fabric and of its services have been increased to 10% over the Building Regulations levels.

With a view to reduce the dependency of the building to fossil fuels and to reduce the ongoing costs of the service users, the designers have considered implementation of thermal and photovoltaic installations. In this scheme design, PV panels have been implemented which expands the school's current system.

In order to mitigate the adverse effects of climate change on the building that is being designed and on the business continuity of the service being delivered therein, designers have devoted time and attention to reducing direct summer sunshine into the building fabric, which would create a need for electrical/mechanical cooling.

Additionally, designers have noted that the risk of flash flooding has greatly increased, and is likely to increase further. Design has been carried out, that focus on minimising the risk, not only of flood pressure being displaced to neighbouring properties, but also of damage and disruption of service to the building. Where practicable, floor levels have been raised and other flood resilience measures have been implemented, often above and beyond the statutory requirements.

With a view to improve local, urban and sub-urban biodiversity, the designers have supplemented, within the boundaries of the requirements of the service users, soft landscaping and planted areas adjacent hard landscaped areas, such as concrete or tarmacked areas.

Additionally, in order to improve urban biodiversity, habitat for pollinators and water run-off slowing, green and living roof solutions were considered as part of the design. In this scheme design, due to roof pitching restrictions and roof geometry requirements, which would make the installation of living roofs un-economic, these have not been implemented.

### *Procurement element*

As part of the tender exercise, tenderers have been asked to produce their environmental credentials, and have been evaluated on this basis, along with other technical queries. In particular, tenders have been evaluated in relation to their response to waste management, energy and carbon footprint questions.

Contractors have been asked to confirm what measures, above and beyond their contractual obligations, they propose to take in order to minimise the production of waste arising from operations, and how the remaining amount of waste will be recycled and disposed of.

Furthermore, contractors have been asked to confirm describe what measures, above and beyond their contractual obligations, they propose to take in order to minimise the use of fossil fuel energy in operations, and to generally decrease the carbon footprint of operations. Additionally contractors have provided details describing their process to calculate the organisation's carbon footprint and what concrete steps they have already taken in order to reduce this or offset the emissions produced by their business.

All tender responses have been evaluated carefully and the winning tenderer, which this ED proposes to award the contract to, has fully demonstrated their understating of all the issues under hand, and they have demonstrated proactive, above and beyond commitments and practical steps taken to improve their environmental policies and practices and to reduce site waste and operational carbon emissions.



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Lastly, as part of the Council's commitment to go paper free, the tender exercise, which some years ago would have resulted in huge amounts of paper being produced, has been moved online and it is now a fully digitalised exercise.

**BACKGROUND PAPERS**

None

**APPENDICIES**

<b>Appendix A</b>	tender scoring document	<b>Exempt from public inspection</b>
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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: Robert South

Director of Children's Services

Date:

**Lodging this notice**

The signed decision notice must be delivered to Democratic Services, in the Town Hall.

**For use by Committee Administration**

This notice was lodged with me on \_\_\_\_\_

Signed \_\_\_\_\_