

MUNICIPAL YEAR 2018/2019 REPORT NO.

**ACTION TO BE TAKEN UNDER
DELEGATED AUTHORITY:
OPERATIONAL
DECISION OF: Executive
Director - People**

REPORT OF:
Keith Rowley- Director of
School Expansion, People

Item:

Agenda – Part: 1

**Subject: Award of Works Contract –
Russet House replacement classroom and
associated accommodation**

**Wards: All wards
Key Decision No: 4692**

Contact officer and telephone number:

Keith Rowley Tel: 020 8379 2459

E mail:keith.rowley@enfield.gov.uk

1. EXECUTIVE SUMMARY

- 1.1** This report covers the next decision in line with the 4th February 2019 Cabinet report (KD4755) the Updated School Condition and Fire Safety Programme 2018/19- 2019/20 report for the proposed programme of works including professional and technical expenses or any other emergency schemes proceeding up to the total three-years.
- 1.2** This report seeks approval to award a contract to “Contractor A” for construction works and approval for scheme expenditure including related services, fixed furniture and equipment plus contingency at Russet House School.
- 1.3** This approval is required to enable the displaced Russet House pupils who are currently accommodated at Carterhatch Infant School due to removal of the time expired temporary classroom, to be relocated back on the Russet House site on completion of this scheme and the temporary accommodation handed back to Carterhatch Infant School.

2. RECOMMENDATIONS

That from the budget agreed for the new provision (KD 4755), the Executive Director of People agrees and:

- 2.1** Approves the contract award to “Contractor A” for the construction of a replacement classroom and associated spaces at Russet House School as further detailed in Part 2 of this report.
- 2.2** Approve total scheme expenditure of £375,000 for the construction works, and approval for scheme expenditure including related services, fixed furniture and equipment plus contingency at Russet House School.

Official

3. BACKGROUND

3.1 The February 2019: Cabinet report (KD4755) the Updated School Condition and Fire Safety Programme 2018/19- 2019/20 report which included delegated authority to:

a) The Executive Director People to:

(i) approve tenders for individual schemes or schemes of aggregated value up to a maximum of £500,000 including professional and technical expenses;

(ii) manage the Programme in a flexible way within the overall budget available, to take account of variations between estimates and tender costs and the need to substitute schemes having a greater technical priority if the need arises using the tender acceptance report pro forma.

b) It noted that:

The report combines Schools' condition and expansion projects into one capital programme.

A portfolio decision Cabinet Member for Children's Services will be sought in relation to the approval of tenders for any proposals exceeding £500,000 in value including professional and technical expenses.

3.2 On 13th July 2018 approval was given, by way of an Operational Decision (attached) for the removal of the time expired temporary classroom and associated works at Russet House School.

3.3 As a result, it was agreed with Carterhatch Infants School and Russet House School that the pupils who occupied the temporary classroom at Russet House School to be accommodated in a room located in Carterhatch Infants School for four terms pending completion of the replacement classroom.

3.4 Planning approval was granted by Decision Notice on 28th February 2019 reference 18/02170/FUL for the proposal to re-provide a classroom and associated accommodation to replace the time expired temporary classroom removed from site July 2018.

- 3.5** The works comprise the Construction of single storey extension, associated external works and minor internal alterations.
- 3.6** The construction works have been procured following a competitive quotation process via the London Tenders Portal (LTP) in accordance with the Council's CPR's. The form of contract will be JCT intermediate Building Contract with Contractors Design 2016 edition where insurance option C will apply.
- 3.7** Tender documents were issued on LTP on 12th December 2018 with a stipulated return date of 18th January 2019. The tender has been conducted through a single stage process and the tendering procedure is in accordance with JCT Practice Note 2012 where alternative 2 applies.
- 3.8** A list of five contractors were jointly selected by the project team based on location, turnover, relevant experience, Construction Line status and proven experience working with the client team. The tenderers were evaluated in accordance with the tendering procedure to arrive at the recommendation for contract award to Contractor "A" as detailed in Part 2 of this report
- 3.9** A Tender Report has been prepared by the Quantity Surveyor, Stace LLP, who recommended contract award to "Contractor A" on the basis that their tender was the most economically advantageous and programme compliant. Tenders were evaluated in accordance with the award criteria, and arithmetic or pricing errors were dealt with in accordance with the Tender procedure set out in the Invitation to Tender document.
- 3.10** During the tender stage, there was a change in leadership at the School. The new Headteacher reviewed the accommodation previously agreed by the school and felt that the layout did not make the best use of the space.
- 3.11** The layout was re-designed to enable the new provision to be more open plan and better suited for the cohort of pupils who would use the accommodation. This is to be achieved by omitting the toilet and relocating the quiet room and store. The new layout was approved and signed off by the Chair of Governors on 13th February 2019 (Appendix 1).
- 3.12** Corporate Maintenance and Construction Team (CMCT) has reviewed the change control forms completed by Russet House that set out the changes they requested and CMCT identified cost and programme implications incurred to have negligible financial or programme implications.

- 3.13** The contract period on site is due to commence 6th May 2019 with completion 18th October 2019.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1** Not to proceed with this project. This would mean that the school would not have enough school places to meet the council's needs in the special education needs sector, unless Carterhatch Infant School was willing to agree to an extension of the current arrangement. This was never to be a long term solution for Russet House.
- 4.2** Providing all additional special needs places required, out of borough. This is not feasible financially to the Authority as it would cost on average in the region of £50,400 plus transport costs per pupil per year.

5. REASONS FOR RECOMMENDATIONS

- 5.1** The tender from Contractor "A" is compliant and is the most economically advantageous tender.
- 5.2** The layout has been designed to be flexible and future proof to enable the accommodation to be reorganised should room requirements and use change.
- 5.3** Any delay will affect Carterhatch Infant School being handed back the classroom currently being used by the pupils that were displaced due to the removal of the time expired temporary classroom.

6. COMMENTS FROM OTHER DEPARTMENTS

6.1 Financial Implications

- 6.1.1** These works are estimated to cost £375,000. This is fully funded by central government capital grant allocation.
- 6.1.2** Annual maintenance costs from these works will be funded from existing revenue budgets which is also funded by government grant (dedicated schools grant).

6.2 Legal Implications

Dated 4th April and 10th April 2019 Based on a Report circulated on 3rd April and recirculated on 9th April 2019 - Provided by Lynn Shepherd

- 6.2.1** The Council has a general responsibility for education and to secure efficient primary education to meet the needs of the population in its area under Section 13 of the Education Act 1996 (as amended).
- 6.2.2** Section 111 of the Local Government Act 1972 further enables local authorities to do anything, including incurring expenditure or borrowing, which is calculated to facilitate or is conducive or incidental to the discharge of their functions.
- 6.2.3** Additionally, the Council is empowered, under s.1 Local Government (Contracts) Act 1997 to enter into contracts in order to discharge its legal powers.
- 6.2.4** The Council has the power under section 1 (1) of the Localism Act 2011 to do anything that individuals generally may do provided it is not prohibited by legislation and subject to Public Law principles. The proposals set out in this report are consistent with these powers.
- 6.2.5** The contents of this report constitute a Key Decision as the recommendation to Award the construction works contract will lead to expenditure exceeding £250,000. Once approved, the decision to Award will be subject to the usual five-day call-in period.
- 6.2.6** The works are below the threshold (currently £4,551,413) where a European procurement is required under the Public Contracts Regulations 2015. The procurement was therefore conducted in accordance with the Council's Contract Procedure Rules which requires a minimum of three quotations (one to be local where practicable) for contracts of this value (see CPR 3.5).
- 6.2.7** The tender list was compiled using Construction Line as allowed for under CPR 3.7.
- 6.2.8** In accordance with CPR 3.13 the Award of the Contract should be based on fair and appropriate evaluation criteria and awarded to the Most Economic and Advantageous Tender. A full and complete written record of the evaluation process must be maintained and uploaded onto the E-Tendering Portal
- 6.2.9** The Executive Director has power to award the contract under CPR1.22
- 6.2.10** In accordance with CPR 1.18, as the contract is worth over £250,000, sufficient security from the Contractor should be considered in order to manage risk, such as a Parent Company Guarantee or Ultimate

Holding Company Guarantee or a Performance Bond. Evidence of the form of security required or why no security was required must be stored and retained on the E-Tendering Portal for audit purposes

- 6.11** The form of Contract is to be a JCT industry recognised standard contract in accordance with CPR 3.11. As the contract value is over £250,000 this will need to be sealed by Legal Services.

6.3 Property Implications

- 6.3.1** All new or revised asset data arising out of the proposed works must be sent by the Project Manager to Strategic Property Services for input onto the Asset Management Data System, ATRIUM, including revised site plans, floor plans, asset information and maintenance regimes.
- 6.3.2** Whilst the Council's Corporate Landlord responsibilities are not increased by the addition of another classroom nevertheless this may have cost implications for the General Fund in the future. Any capital investment in community schools is potentially at risk from "Academisation" of the asset which results in the Council no longer being a beneficiary of the investment following transfer to Academy Status.

6.4 Procurement Implications

- 6.4.1** All procurement was carried out in line with Contract Procedure Rules and compliant to UK & EU regulations.
- 6.4.2** For Works Contracts from £50,001 to £500,000, Contract Procedure Rules require that if less than three quotes are received the P&C Hub must approve the award. The decision must be recorded in writing and all documentation supporting the decision retained in the E-Tendering Portal. Four quotes were received via London Tenders Portal, within the submission deadline.
- 6.4.3** All events on the London Tenders Portal must be completed and promoted to the Councils Contract Register together with a scanned copy of the contract following successful award of contract.

7. KEY RISKS

- 7.1** The key risks to this contract related to the possible poor performance of the consultant/contractors. This risk is mitigated by robust performance/contract management.

- 7.2** The risk in not accepting the tender is that the contractor will fail to deliver a newly constructed building which in turn means there will be a delay in handing back the accommodation currently being used for these displaced pupils, back to Carterhatch School.

8. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

8.1 Good homes in well-connected neighbourhoods

This programme will assist the Council to deliver its construction related projects and programmes which in turn help support the delivery of education services to the benefit of the community.

8.2 Sustain strong and healthy communities

This contract will assist in the procurement of construction related activity within the local area and its associated employment and economic benefits. The Borough needs to ensure appropriate infrastructure is in place to allow for the growth of the population.

8.3 Build our local economy to create a thriving place

The provision of good quality schools and buildings helps to ensure a stable strong community.

9. EQUALITIES IMPACT IMPLICATIONS

None.

The reason for not undertaking an equalities impact assessment is because there is no fundamental change to the cohort of pupils who will be educated from the new facility.

These pupils, who are diagnosed with SEN are primary aged children from all wards across the borough.

10. PERFORMANCE AND DATA IMPLICATIONS

The performance of the contractor will be monitored by Corporate Maintenance and Construction Team.

11. PUBLIC HEALTH IMPLICATIONS

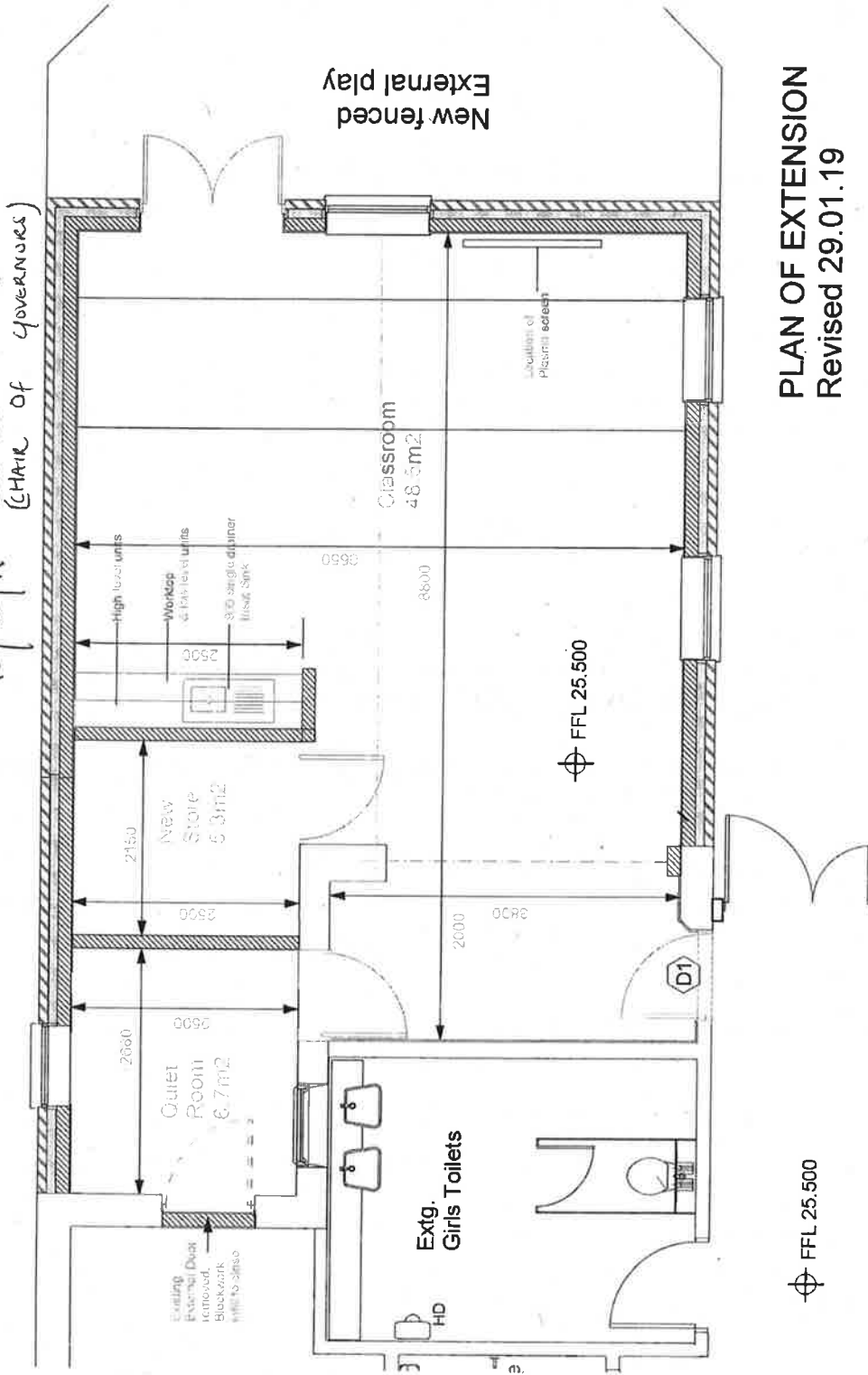
The provision of good quality schools helps to ensure a stable, strong community. These additional school places will be offered to the young people of Enfield who need these from all wards.

Background Papers

None

Official

Visited & signed agreement to the plan on
 13/2/19 - Caroline Kelley
 (CHAIR of GOVERNORS)



PLAN OF EXTENSION
 Revised 29.01.19