

CABINET

11 FEBRUARY 2014

GATEWAY 3 CONTRACT AWARD: BROMPTON WESTBROOK PRIMARY SCHOOL - PHASE 1 WORKS

Portfolio Holder: Councillor O'Brien, Children's Services (Lead Member)
Report from: Barbara Peacock, Director of Children and Adults
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SUMMARY

This report seeks permission to award a contract to the supplier as highlighted within Section 2.2 of the exempt appendix.

The Cabinet approved the commencement of this requirement at Gateway 1 on 1 October 2013. A copy of the Gateway 1 Report is available upon request.

This Gateway 3 Report has been approved for submission to the Cabinet after review and discussion at the Children and Adults Directorate Management Team Meeting on 21 January 2014 and Procurement Board on 22 January 2014.

1. BACKGROUND INFORMATION

1.1 Budget & Policy Framework

1.2 This project supports the Council's School Organisation Plan 2011 – 2016, approved by Cabinet on 1 November 2011 (decision number 142/2011), which highlights the need for additional pupil places in Gillingham. The Council has a statutory duty to ensure there are sufficient school places as set out in the Education & Inspections Act 2006.

1.3 A budget has been identified to provide the additional accommodation required to increase the planned admission number to 60. A feasibility study has been undertaken that has highlighted the shortfall in the current accommodation, in line with the DfE Building Bulletin 99 guidance.

- 1.4 The new accommodation includes a school/community hall with changing facilities, a new main entrance, two new classrooms and additional dining space. This allows the existing hall to be used as SEN group rooms and for pastoral care. It also allows reconfiguration of the office spaces, which are currently undersized and not optimally located.
- 1.5 The new accommodation will allow the school to increase the use of the schools facilities by the local community. The arrangement of the existing hall, in the centre of the building, severely limits these opportunities for security reasons.
- 1.6 **Background Information**
- 1.7 This procurement is a Works/Construction project.
- 1.8 This report seeks permission from Cabinet to award a contract to the supplier as highlighted in the exempt appendix for the main contract works for September 2014. Following the detailed design work it was identified that due to budget pressures that non-critical items would need to be completed as a separate phase but due to the submission from this contractor this will not be necessary as the works can now be completed in one phase.
- 1.9 This project is required to fulfil Medway's statutory obligations. The Council has a statutory duty to ensure there are sufficient school places as set out in the Education & Inspections Act 2006.
- 1.10 **Funding/Engagement from External Sources**
- 1.11 As the Targeted Funding bid made to the DfE in respect of this project was unsuccessful, funding will be provided from the DfE Basic Need Grant and Developer Contributions. No external approval is required for this project to proceed.
2. **PROCUREMENT PROCESS**
- 2.1 **Procurement Process Undertaken**
- 2.2 This project is a single stage Design and Build tender via the Kent County Council Select List.
- 2.3 The advert went out on the ProContract website to 6 Contractors from the KCC Select List and we received 5 Tender submissions on 13 December.
- 2.4 Out of the 5 Tenders received, one withdrew from the competition. Once the evaluation had been completed from the 4 contractors, Contractor C's submission was accepted as the winning bidder.
- 2.5 **Evaluation Criteria**
- 2.6 The evaluation criteria were based on a 60% Quality/40% Price ratio - see matrix within the exempt appendix.

3. BUSINESS CASE

3.1 Delivery of Procurement Project Outputs / Outcomes

The following procurement outcomes/outputs identified as important at Gateway 1 to the delivery of this procurement requirement have been appraised in the table below to demonstrate how the recommended procurement contract award will deliver said outcomes/outputs.

Outputs / Outcomes	How will success be measured?	Who will measure success of outputs/ outcomes	When will success be measured?	How will recommended procurement contract award deliver outputs/outcomes?
1. Appointing a contractor for the works who will deliver a quality product within the timescales required and within the given budget	Successful completion of the building works within the timescales which will be measured through the tender process	Building & Design Services	Monitored throughout the programme by monthly site visits and contractor reports	Meeting key milestones within the programme and the implementation of performance indicators
2. Appointing a contractor for the building works who is able to work within the constraints of a school environment	Successful procurement of the contractor within the specifications contained within the tender process	Building & Design Services	Monitored throughout the programme by monthly site visits and contractor reports	Inclusions of contract monitoring procedures within the Contract documents. Default clauses are part of the contract documentation
3. Delivery of the key objectives for the project which is refurbishment	Completion of the building works meeting all the Client's requirements	Building & Design Services	Assessed at the end of the project, and also monitored throughout the contract period	A detailed specification with key milestones and a Design and Building JCT Contract

4. RISK MANAGEMENT

4.1 Risk Categorisation

1. Risk Category: Procurement Process	Likelihood: A	Impact: II
Outline Description: Council decision-making process affects programme, resulting in programme delays and cost increases.		
Plans to Mitigate: Ensure that the programme agreed is achievable and allows for a slight tolerance in areas posing any potential time delay risks.		
2. Risk Category: Contractual Delivery	Likelihood: D	Impact: III
Outline Description: Failure of Contractor to deliver contractual arrangements		
Plans to Mitigate: When appointing a contractor it is done so in accordance with specific contract KPIs to enable contract monitoring and ensuring the delivery meets all needs.		
3. Risk Category: Service Delivery	Likelihood: (i) E (ii) C	Impact: (i) II (ii) III
Outline Description: Lack of specified performance		
Plans to Mitigate: A detailed specification with stakeholder engagement via Gateway process.		

5. PROCUREMENT BOARD

- 5.1 The Procurement Board considered this report on 22 January 2014 and supported the recommendation set out in section 7.

6. SERVICE COMMENTS

6.1 Financial Comments

- 6.1.1 It is intended that this procurement requirement, its associated delivery and the recommendations at Section 7, will be met principally from Basic Need Grant and other sources and will be included in the draft capital programme for consideration by Council at its budget setting meeting on 20 February 2014.

- 6.1.2 Further detail is contained within Section 1.1 Financial Analysis of the Exempt Appendix that accompanies this report.

6.2 Legal Comments

- 6.2.1 This procurement requirement, its associated delivery and the recommendations at Section 7, has the following legal implications:

There are no legal implications associated with the proposed recommendation. This is because the procurement is below the EU threshold for works contracts (currently £4,322,012) and the procurement has been undertaken using the KCC select list, as permitted under para 3.2 of the Council's Contract Rules relating to frameworks. As this procurement categorised high risk, the decision to make an award is one for Cabinet pursuant to the Council's Contract Rules.

6.3 TUPE Comments

- 6.3.1 Further to guidance from Legal Services, Human Resources and the Category Management Team, it was identified at Gateway 1 that TUPE does not apply to this recommended procurement contract award as this is a Works related procurement with no Services related implications.

6.4 Procurement Comments

- 6.4.1 The following procurement implications, which the Cabinet must consider. The Procurement process was carried out in line with the Council's Contract Rules and that best value for money has been delivered through this process.

6.5 ICT Comments

- 6.5.1 Medway Council provide Medway Grid for Learning ICT services to this school. It is therefore important that any existing and future ICT requirements are incorporated into the building works. It is

recommended that a project manager from ICT is appointed to work with the Capital Project team to ensure that the schools additional ICT requirements are considered and incorporated into the building plan, rather than reviewed once the work is completed.

7. RECOMMENDATION

- 7.1 The recommended option is to award the contract to the contractor as highlighted within Section 2.2 of the exempt appendix for the Phase 1 Works at Brompton Westbrook Primary School.

8. SUGGESTED REASONS FOR DECISION

- 8.1 The Council has a statutory duty to ensure there are sufficient school places as set out in the Education & Inspections Act 2006 and this project supports the Council's School Organisation Plan 2011 – 2016, which highlights the need for additional pupil places in Gillingham. The new accommodation will also allow the school to increase the use of the schools facilities by the local community. The Procurement process was carried out in line with the Council's Contract Rules and that best value for money has been delivered through this process.

LEAD OFFICER CONTACT

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BACKGROUND PAPERS

The following documents have been relied upon in the preparation of this report:

Description of Document	Location	Date
Gateway 1 Procurement Commencement: Brompton Westbrook Primary School Phase 1 Works	http://democracy.medway.gov.uk/mgconvert2pdf.aspx?id=21418	1 October 2013
DfE Building Bulletin 99 Guidance	http://webarchive.nationalarchives.gov.uk/20130401151715/https://www.education.gov.uk/publications/standard/publicationDetail/Page1/BB-99	December 2005