

## **CABINET**

**15 JULY 2014**

### **GATEWAY 1 PROCUREMENT COMMENCEMENT: DANECOURT COMMUNITY SPECIAL SCHOOL - EXPANSION WORKS**

Portfolio Holder: Councillor O'Brien, Children's Services (Lead Member)  
Report from: Barbara Peacock, Director of Children and Adult Services  
Author: Debbie Wright, Category Lead  
Chris Sewell, Project Support Officer

#### **SUMMARY**

This report seeks approval for the commencement of the procurement process for the expansion works at Danecourt Community Special School to enable an increase in the number of pupils and an extension to the range of SEN designations.

This Gateway 1 report has been approved for submission to Cabinet after review and discussion at the Children and Adults Directorate Management Team Meeting on 10 June 2014 and Procurement Board on 18 June 2014.

The Children & Adults Directorate Management Team has recommended that this project be approved as a Category B High Risk project at Gateway 1 by the Procurement Board. Under the Council's constitution, the decision to commence procurement is therefore a decision for Cabinet.

#### **1. Budget & Policy Framework**

- 1.1 The award of this contract, which will be undertaken in accordance with the Council's procurement procedures will support Medway Council's published strategy document "Special Educational Needs – An Inclusive policy and strategy for Medway 2009 – 2014". This sets out the ambition that wherever possible the special educational needs of Medway children should be met so that they are able to learn and achieve in local provision.
- 1.2 The budget framework for this procurement process is set out in the Exempt Appendix.

## **2. Background**

- 2.1 Medway has agreed the principle that the trend to place children out of area or in independent provision should be reversed where possible and aims to educate as many children as possible close to where they live and to reduce the number of children and young people being educated outside of mainstream or local maintained special schools.
- 2.2 Danecourt Community Special School is an outstanding school for pupils aged 4-11 with moderate learning difficulties (MLD) and complex autistic spectrum disorders (ASD). In recent years the needs of new pupils attending Danecourt have become more complex, and in reality many pupils have very complex MLD (bordering/crossing over to severe learning difficulties (SLD)).
- 2.3 The school was originally built in the 1950s and over time additional spaces have been added to accommodate additional pupils. There are constraints with the size of the overall accommodation and specific spaces, for example the hall and staff areas.
- 2.4 Pupils at Danecourt achieve well and make very good progress. The school has been judged 'Outstanding' at the last inspection in October 2012. In recent years there has been a significant growth in the number of primary age pupils with MLD (80% growth in 4 years) and ASD (88% growth in 4 years) and we expect numbers to continue to rise. Danecourt is in most cases the only school in Medway able to meet these needs.

### **Funding/Engagement From External Sources**

- 2.5 40 additional places must be provided prior to September 2015 using funding of £1.31m from the Education Funding Agency.

## **3. PROCUREMENT DEPENDENCIES & OBLIGATIONS**

### **3.1 Project Dependency**

None

### **3.2 Statutory/Legal Obligations**

The budgeted value of this procurement is below EU procurement Regulations.

## 4. BUSINESS CASE

### 4.1 Procurement Project Outputs / Outcomes

As part of the successful delivery of this procurement requirement, the following procurement project outputs / outcomes within the table below have been identified as key and will be monitored as part of the procurement project delivery process.

Outputs / Outcomes	How will success be measured?	Who will measure success of outputs/ outcomes	When will success be measured?
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.
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.
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	Monitored throughout the programme by monthly site visits and contractors reports
Cost savings on reducing the need for out of area placements	Number of out of area placements	Education Service	Quarterly/Annually

## **4.2 Procurement Project Management**

4.2.1 The project will be resourced through the following project resources and skills:

- Ryan Reardon – Project Manager
- Chris Sewell – Project Support Officer
- Haverstocks - Architects
- Faithful & Gould – Quantity Surveyor

## **4.3 Post Procurement Contract Management**

4.3.1 The contract management of this procurement project post award will be resourced through the following contract management strategy:

- Ryan Reardon – Project Manager
- Chris Sewell – Project Support Officer
- Haverstocks - Architects
- TBC - Quantity Surveyor

## **5. MARKET CONDITIONS & PROCUREMENT APPROACH**

### **5.1 Market Conditions**

5.1.1 Currently inflationary and capacity pressures are being experienced in the market. This is affecting suppliers' ability to bid in short timescales and also affecting suppliers' ability to commence works on site in short timeframes. Longer supply chain lead times are also being experienced.

### **5.2 Procurement Process Proposed**

5.2.1 It is proposed that the procurement process will be to approach the open market, to ensure the widest potential number of suppliers, who have capacity to bid and commence works, can tender for the works.

### **5.3 Evaluation Criteria**

5.3.1 To ensure that quality is maintained it is proposed that the evaluation criteria be set at 60% for quality and 40% for price.

## 6. RISK MANAGEMENT

<b>1. Risk Category: Procurement Process</b>	<b>Likelihood: A</b>	<b>Impact: II</b>
Outline Description: Council decision making process affects programme, resulting in programme delays and cost increases.		
Plans to Mitigate: Projects are planned with procurement and Cabinet dates in mind to minimise delays		
<b>2. Risk Category: Contractual delivery</b>	<b>Likelihood: D</b>	<b>Impact: II</b>
Outline Description: Failure of contractor to deliver contractual arrangements		
Plans to Mitigate: Inclusion of Contract Monitoring procedures within the contract documents. Default clauses are part of the contract documentation.		
<b>3. Risk Category: Service Delivery</b>	<b>Likelihood: E</b>	<b>Impact: II</b>
Outline Description: Lack of specified performance		
Plans to Mitigate: A detailed specification with key milestones and performance indicators		
<b>4. Risk Category: Reputation/political</b>	<b>Likelihood: C</b>	<b>Impact: III</b>
Outline Description: Negative publicity as a result of poor communication		
Plans to Mitigate: Project specific communications plan has been developed.		
<b>5. Health &amp; Safety</b>	<b>Likelihood: B</b>	<b>Impact: I</b>
Outline Description: Construction works in close proximity to pupils, staff and visitors resulting in disruption injury or worse.		
Plans to Mitigate: Project specific communications plan has been developed. Contractor to provide clear and concise H&S procedures with close liaison with the school. CDM Co-Coordinator to review.		

<b>6. Procurement</b>	<b>Likelihood: B</b>	<b>Impact: I</b>
Outline Description: The construction industry upturn is causing constraints in bidding capacity and lead times for construction and supply chain		
Plans to Mitigate: Tendering to be open to market to ensure widest possible capacity is tapped into and appoint contractor at earliest opportunity to “book slot”. Programme should allow a significant lead in period prior to on site to enable supply chain lead times to be managed and design issues to be resolved prior to construction		

## **7. CONSULTATION**

### **7.1 Internal (Medway) Stakeholder Consultation**

- 7.1.1 Before commencement of the procurement process in order to direct the specification it will be necessary to consult with Category Management, Building Design Services and Section 151 Officer in order to direct specification and aid the evaluation process.
- 7.1.2 During the procurement process and post procurement tender process it will be necessary to consult Category Management and Building Design Services in order to aid the design and evaluation process.

### **7.2 External Stakeholder Consultation**

- 7.2.1 Before commencement of the procurement process in order to direct the specification external stakeholder engagement is required from:
- STG Building Control
  - Danecourt Special Community School Headteacher and Governors
- 7.2.2 During the procurement process in order to aid the evaluation process the Building Design Services Project Manager, in collaboration with the Client Project Manager and Design Team will undertake full management and monitoring of the project to ensure the work is progressing on time and within budget and providing quality assurance for the process.
- 7.2.3 Outputs of this process will include gateway reviews including performance monitoring with the contractors and all parties to the delivery process. There will be monthly valuations and strict change control processes along with regular progress reporting to the Children & Adults Programme Cabinet Advisory Group.
- 7.2.4 The school have played an integral part of the design process and both the staff and pupils will be involved in all stages of the project design and delivery.

## **8. SERVICE IMPLICATIONS**

### **8.1 Financial Implications**

- 8.1.1 The procurement requirement and its associated delivery (as per the recommendations at Section 12, will be funded from the existing Education Capital Programme. This will be met from the existing capital programme form a combination of basic need grant and development contributions.
- 8.1.2 Further detail is contained within Section 2.1 Finance Analysis of the **Exempt Appendix** that accompanies this report.

## **8.2 Legal Implications**

8.2.1 The works are below the financial threshold set out under the EU public procurement regime, and so the Public Contracts Regulations 2006 (“the Regulations”) do not require that the works be advertised via an OJEU notice.

8.2.2. However, the Regulations still impose a requirement that the procurement process comply with the requirements of equal treatment, non-discrimination and transparency. This means that the opportunity to bid must be adequately advertised.

8.2.3 Rule 3.3 of the Council’s Contract Procedure Rules sets out the advertising requirements for procurements of this type, and requires that the procurement be advertised on the Kent Business Portal and on the Council’s website.

## **8.3 TUPE Implications**

8.3.1 This is a construction/works programme and therefore there are no TUPE implications

## **8.4 Procurement Implications**

8.4.1 See procurement risk in the table above.

## **8.5 ICT Implications**

8.4.2 There may be significant impact on existing and additional ICT requirements. A project manager for ICT will ensure future ICT requirements are scoped prior to building works taking place, and to ensure that the existing IXCT services are not disrupted.

## **9. OTHER CONSIDERATIONS**

### **9.1 Diversity & Equality**

9.2 A Diversity Impact Assessment was completed for the project and whilst it is expected that there will be some impacts on some groups it is anticipated that these outcomes will be positive. A copy of the Diversity Impact Assessment screening form is included within the Outcomes of Consultation for the Proposed Prescribed Alterations at Danecourt Special School, which is included elsewhere on this agenda or via the following link:

<http://democracy.medway.gov.uk/ieListDocuments.aspx?CIId=115&MIId=2954&Ver=4>



## 9.2 Social, Economic & Environmental Considerations

As this works project is over £1m the tender will include a requirement for local labour, supplier content and an analysis of the expected impact for education/apprentices of young people.

## 10. OTHER INFORMATION

10.1 None at this time

## 11. Procurement Board

11.1 The Procurement Board consider this report on 18 June 2014 and supported the recommendations in section 12.

## 12 Recommendation

12.1 The Cabinet is recommended to agree that this Gateway 1 High Risk Report progress to Gateway 2 of the procurement process and tenders for the extension and remodelling of Danecourt School be invited.

## 13 Suggested Reasons for Decision

13.1 The new accommodation is required to enable an additional 40 spaces to be available from September 2015.

### Lead Officer Contact

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**Background Papers:** None