

CABINET

30 NOVEMBER 2010

GATEWAY 1 OPTIONS APPRAISAL: SIR JOSEPH WILLIAMSON'S MATHEMATICAL SCHOOL NEW DESIGN/TECHNOLOGY BUILDING

Portfolio Holder: Councillor Les Wicks, Children's Services

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Summary

This report seeks permission to commence the procurement process, to invite tenders for the Sir Joseph Williamson's Mathematical School new design/technology building scheme from contractors selected from the Medway Council approved framework.

1. BUDGET AND POLICY FRAMEWORK

- 1.1 The project is within the policy and budgetary framework, being consistent with the provisions outlined in the council's 14-19 strategy. The removal of the temporary buildings is in support of Medway's policy of replacement of temporary accommodation with permanent buildings and supports our planning principles.

2. RELATED DECISIONS

- 2.1 Departmental Management Team confirmed approval of the business case Gateway 0 paper, to proceed with detailed design on the new Design Technology/Art building option on 13 May 2010.

3. BACKGROUND

- 3.1 Following the above approval from Departmental Management Team on 13 May 2010, a design team has been established to develop the project to RIBA (Royal Institute of British Architects) stage G. This includes the relevant survey works to ensure any risks are managed or mitigated and detailed cost

planning has been undertaken. The design is now sufficiently developed to approach construction companies to provide tendered costs. This report seeks approval to proceed to Gateway 2 to invite tenders for the scheme from contractors selected from, Kent County Council's select list of approved contractors.

4. BUSINESS CASE

4.1 Business Case Summary

4.1.1 The project is to provide better quality accommodation for English, Science, DT and Art, which will be sized as per the DfE guidance - building bulletin 99. This will replace a number of undersized classrooms by 12: this being seven general classrooms and five DT rooms. This will allow improved delivery of the curriculum.

4.1.2 The scheme will relocate the current DT and Art classrooms in the new building together with new accommodation for Design Technology comprising Manufacturing Product and Design and practical Food preparation facilities. This will allow relocation of the English department in the space vacated. The improved accommodation in the main building will allow the temporary buildings to be demolished. This gives better adjacencies for English with the Music Department and allows sufficient space for Drama. The space vacated by Drama, currently in the Science area, will allow for expansion of the science department in the future, where again the rooms are undersized.

4.2 Strategic Context

4.2.1 The project will support the council's 14-19 strategy in offering 21st century accommodation for Art and Design Technology in dedicated Manufacturing and Product Design and Food preparation facilities. This proposal will complement the new high quality facilities available at Mid Kent College and other local secondary schools. The school aspires to lead the way in the regeneration of manufacturing in Medway through its support for an outstanding 14 –19 Manufacturing Product and Design curriculum. The school has an active programme of support to students from other local schools in this curriculum area and the development of this accommodation will significantly enhance the vocational learning experience available to local students of all ages.

4.2.2 In support of Medway's SEN strategy, the school is a designated school for children with physical disabilities. The new buildings will be DDA compliant (Disability Discrimination Act) allowing improved access for these pupils.

4.2.3 The removal of the temporary buildings is in support of Medway's policy of replacement of temporary accommodation with permanent buildings and supports our planning principles.

4.2.4 This scheme, with the exception of the Product and Design and Food preparation facilities, will provide replacement classrooms not additional

accommodation, which are not compliant with Building Bulletin 98. These proposals will provide an opportunity for the school to deliver English, DT and Art in suitable and compliant buildings.

4.3 Whole Life Costing/Budgets

4.3.1 Funding has been identified by the school and from the Capital Programme. Details are included in the exempt appendix due to the commercial in confidence nature of the information.

4.4 Risk Management

4.4.1 A copy of the full risk register is attached at Appendix B.

4.5 Market Testing (Lessons Learnt/Bench Marking)

4.5.1 The works being undertaken can be offered by a number of quality contractors and good value for money can be obtained by tendering through KCC's select list of approved contractors.

4.6 Stakeholders Consultation

4.6.1 We have worked with the headteacher, governors and the senior management team at the school to develop a scheme that will deliver their aim for this project. The headteacher has consulted with Medway's secondary school headteachers through their strategic group meetings. Consultation will continue throughout the project.

4.7 Other Issues

4.7.1 Meetings have taken place with Medway Council's ICT team to discuss the impact on existing systems, to ensure interfaces are aligned and there is no adverse impact to the school's ability to delivery the curriculum as a result of the project.

5. PROCUREMENT IMPACT ASSESSMENT (PRIMAS)

- Equalities - the procurement of this project will not have an adverse affect on the equality of access to services at the school. Where possible improvements will be made and all works will be in accordance with the latest legislation on equality of access. The schools service has been subject to an Diversity Impact Assessment, through the corporate equalities team.
- Environmental -There will be no adverse environmental impact through the delivery of this project. The school organisation service is applying the principles of the Waste & Resources Action Programme to all its projects to ensure that materials are sustainably resourced and that any waste is recycled responsibly, with waste to landfill at a minimum.
- Local Community and Local Economy – The project provides buildings, which will offer facilities for community working with local schools and business.

- Health and safety - The procurement of the project will be in accordance with all relevant health and safety legislation and will make improvements as necessary.

6. PERMISSIONS / CONSENTS

- 6.1 A planning application has been submitted to Medway Council planners and was considered by the Planning Committee. Following amendments to the scheme to take into account comments from the Planning Committee, a decision is now expected by 22 November 2010. An application has also been made to STG building control. The planning permission on the temporary accommodation is due to expire in July 2011. An extension is being obtained to this permission to align with the delivery of the project, in early 2012.

7. OPTIONS APPRAISAL

7.1 Success Criteria/Key Drivers/Indicators

- 7.1.1 The success of this project will be to improve results at GCSE and A level in Design Technology and specifically in Manufacturing and Product Design through improved teaching and learning spaces. It will also ensure delivery of practical Food Technology lessons for the first time, in line with the new national curriculum requirement for KS3 pupils. The relocation of the English department, which is currently dispersed across three areas in the school, including temporary accommodation, will provide improved synergies, being adjacent to music and drama.

7.2 Options

- 7.2.1 Procurement options considered for this project are two stage design and build and single stage tender on specification and drawings with a standard form of JCT contract.

7.2.2 Two stage design and building contract:

This option transfers the risk for design to the contractor, but it does mean that there are more programme risks in terms of managing approvals and sign off by the school.

7.2.3 Single stage tender on specification and drawings with a standard JCT contract:

This option means that the design team will fully specify the solution prior to inviting tenders. This option enables more certainty on cost, as the design is not likely to vary post-tender unless something unforeseen occurs and this will be managed via the formal contractual variation process.

7.3 Preferred Option

- 7.3.1 The preferred option is a single stage tender using the JCT Standard Form of Contract. This will provide the Council with certainty on cost following the tender exercise, whilst still passing the risk on areas such as ground conditions to the contractor.

8. PREPARATION OF THE NEXT STAGE OF PROCUREMENT

8.1 EU Implications

- 8.1.1 The proposed procurement route of utilising the select list of approved contractors to subject this requirement to a mini tender competitive process in line with the protocol of the said select list and Medway Council's contract and procurement rules will ensure a robust and compliant procurement process is adhered to. The estimated value of £0 – see exempt appendix falls below the current EU Works procurement threshold of £3,927,260 and therefore is not subject to the full application of the EU procurement regulations. The procurement will be subject to a tender process in line with Contract Rules and in accordance with the protocol of the Medway Council select list and will ensure that the EU Procurement Regulation principles of transparency, fairness and equal treatment are upheld. A clear and concise approach to evaluation is encompassed with the Gateway 2 documents and the School Organisation service will seek advice and support from Strategic Procurement accordingly. Appendix A is a programme timeline including all the procurement stages.
- 8.1.2 Consideration has been given to procurement via other frameworks such as IESE. However due to the low value of the contract sum, Building & Design Services have advised better value for money can be obtained through competition with contractors on the KCC's select list of approved contractors.

8.2 Resources and Project Management

- 8.2.1 The project will be managed by Bailey Partnership, commissioned through Medway Council's Building & Design Services. The design team have been commissioned from consultants on the KCC framework. The table within the exempt appendix gives details of the fees payable for the project.

8.3 Contract Management

- 8.3.1 The contract will be managed and monitored via Building & Design Services. Progress reports will be presented to Education Programme Board at key milestones. The financial monitoring will be completed by the School Organisation Team and reported to Members through the capital monitoring reports to Cabinet.

9. COMMENTS BY THE PORTFOLIO HOLDER FOR CHILDREN'S SERVICES

- 9.1 This is a jointly funded project with the school to provide a new Design Technology & Art building. This facility will also free up existing accommodation within the school to allow the school to re-organise classroom space within the school and to replace temporary teaching accommodation currently used to deliver English. This will enable the school to sustain and build on the high standards of education they deliver to pupils in Medway.

10. PROCUREMENT BOARD

- 10.1 Procurement Board considered this report on 20 October 2010 and approved and recommended it's review at Cabinet for formal consideration and approval.

11. FINANCIAL, PROCUREMENT AND LEGAL COMMENTS

- 11.1 Almost £3.2 million has been allocated to this scheme, within the directorate's capital programme, the funding for which is outlined at paragraph 5.3. Professional fees and project management costs are estimated at £587,000 as outlined at paragraph 8.2. The appointed quantity surveyors have estimated that the construction costs would not exceed £2.7 million and the project would be value engineered if necessary to ensure that it remains within the agreed cash limit.
- 11.2 As this scheme essentially represents the replacement of existing accommodation the impact on revenue budgets should be negligible and any difference would have to be met from the schools delegated revenue budget.
- 11.3 The proposed procurement project is below the EU procurement threshold for works of £3,927,260 and therefore is subject to the Council's Contract Rules, which require either, a formal tender process via advertisement or a tender process using an appropriate and compliant select list or EU Compliant Framework. Strategic Procurement is satisfied that the proposed route using the KCC select list should deliver best value as it will save officer time and costs with subjecting this requirement to a formal tender process via advertisement. The client department should consider how the specification at gateway 2 can be revised to ensure that what is being delivered is proportionate to the requirements of the Council to ensure that the Council is not paying for elements which are not required. Strategic Procurement will provide quality assurance throughout the process to ensure compliance with contract rules and the EU procurement regulations. Although this is a below threshold requirement, the client department must ensure that the treaty principles of fairness, transparency and equal treatment are upheld as these apply to both above and below threshold procurements. In addition, the client department must ensure that both high level and sub criteria are clearly adhered to within the procurement process to ensure compliance with the Remedies Directive. Further guidance should be sought from Strategic Procurement accordingly.

- 11.4 As the contract value is below the EU procurement threshold for works, the procurement of the project will primarily be subject to the Council's Contract Rules. Generally speaking these Rules require a competitive tendering process to be undertaken. However, EC case law now suggests that some form of advertising of requirements should take place in all instances regardless of contract value or any need to place a Notice in the OJEU. Contracts that are not subject to OJEU requirements must still be conducted in line with procurement best practice and also in line with the principles of the EC Treaty to afford fairness, competition and transparency in public procurement. Transparency in this context, particularly where the estimated value of the contract is relatively high (but still below the relevant EU procurement threshold) means sufficient advertising to enable open and fair competition amongst suppliers in the EU community. This requirement is, of course, subject to cases where clear reasons can be made out to justify a requirement to only invite tenders from a select group, e.g. where the works or services are of a specialist nature.
- 11.5 Where the contract value is below the EU procurement threshold it may also be appropriate to use an approved or select list of contractors from which a tender list can be drawn. Such lists should have been prepared after advertisements in the appropriate trade journals and a process of evaluation, which would have considered the financial stability and technical competence of contractors wishing to be included in the list.
- 11.6 In all cases the procurement should be subject to the overriding requirement to secure best value for the Council.

12. RECOMMENDATIONS

- 12.1 Cabinet is recommended to agree that tenders are invited from approved contractors on the KCC select list for the construction of the new facilities for English, DT, Art and Science at Sir Joseph Williamson's Mathematical School, under a single stage tender using a standard JCT form of contract.

13. SUGGESTED REASONS FOR DECISION(S)

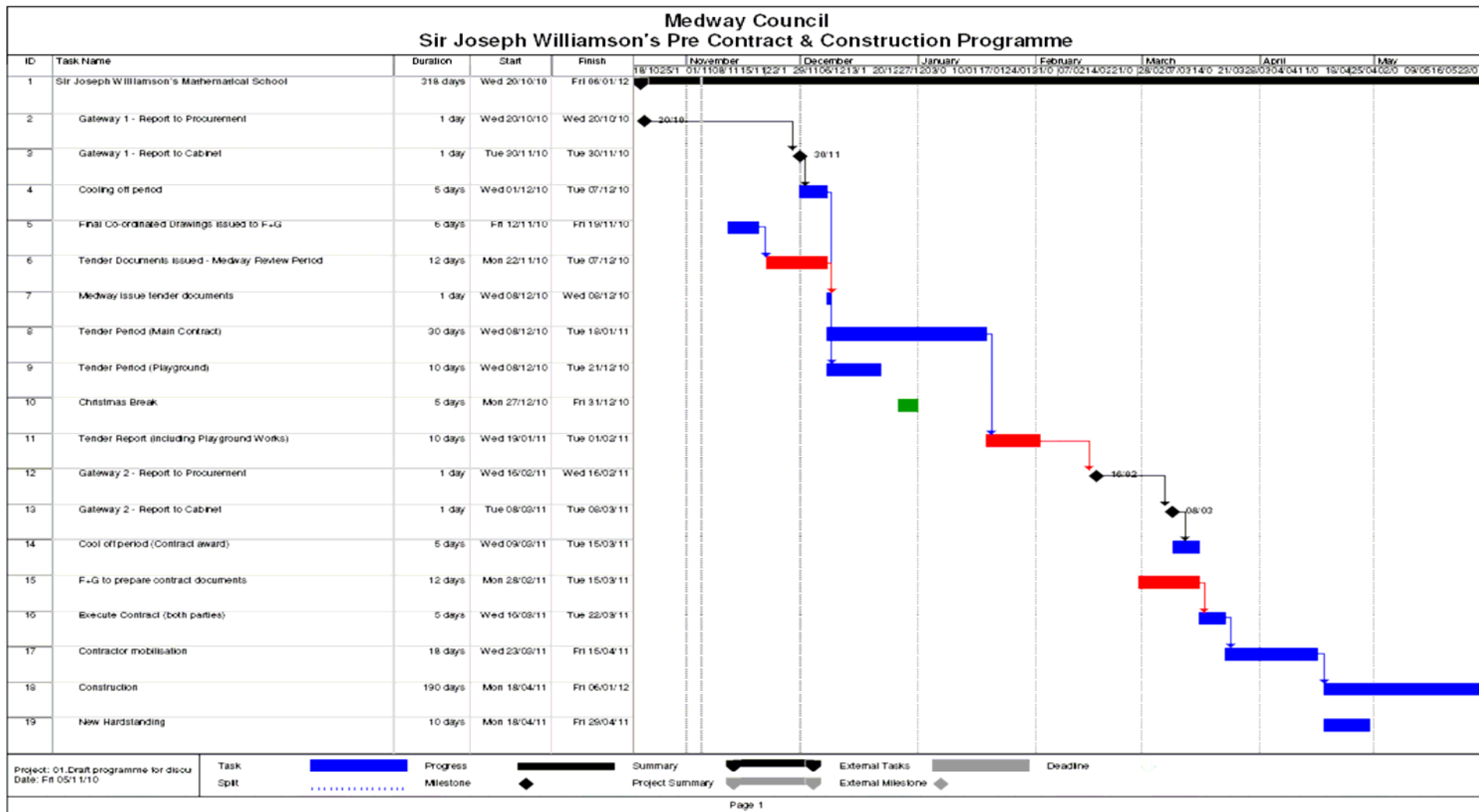
- 13.1 The new facilities are required to enable the school to deliver the quality of curriculum offer for the key subjects as described in the business case section of the report and the capital programme approved by Cabinet in February 2010 includes funding for the project.

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Background papers

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

Description of document	Location	Date
Sir Joseph Williamson's Mathematical School New DT/Art Building – Business Case	W:\School_Services\Planning_Review\Live Projects\9X828 Sir Joseph Williamson\DT Project including food tech\Business Case	13/05/2010



**Risk Register - Sir Joseph Williamson's
Mathematical School New
Design/Technology Building Project**

No	Category	Risk Identification	Impact	Date Identified	Risk Owner	Likelihood (1-5)	Impact (1-5)	Risk Score (L x S)	Risk Ranking	Contingency and Mitigation Action	Date Last Updated	Action Owner
1	Budget	Future funding not available to complete full project as indicated in planning application.	Full scope of works indicated in planning application cannot be carried out as planned. The Existing DT Block remains as existing.	09/07/10	Client / School	3	4	12	High	Schools own funding to finance minimal refurb of existing DT block and remaining landscaping works	11/10/10	Client / School
2	Programme	Planning permission not granted	Programme delayed until a new application is approved	09/07/10	Client	2	4	8	Medium	Pre-application consultation meetings held with local authority planning dept. Residents consultation meeting was held prior to submission of application.	09/08/10	Architect / Project manager
3	Budget	Contractor Tenders returned higher than Pre Tender estimate.	Programme delayed whilst additional funding agreed or scheme reduced	09/07/10	Client	2	3	6	Medium	Additional funding secured from Capital funds. Post tender value engineering with design team and preferred contractor.	08/10/10	All
4	Building	Scope / Specification Change	Introduction of changes will increase programme, Construction cost and professional fees	09/07/10	Client	3	3	9	Medium	All changes to be approved through the change control procedure managed by SW.	09/08/10	Project Manager
5	Contract	Contract docs not signed before construction commences	Works do not commence on programme	09/07/10	Client	3	3	9	Medium	Medway legal and QS to work together to agree terms and conditions.	09/08/10	QS & Legal
6	Programme	Asbestos programme delays start & delivery of project	Delays commencement of main contract and completion date	09/07/10	Project Manager	2	4	8	Medium	Early identification of Asbestos material via surveys. Scope of works to be produced and Removal of any asbestos material to come under the main contractor.	09/08/10	Project Manager
7	Building	Scope of works not fully understood	Expectations raised unnecessarily. Client not satisfied.	09/07/10	Client	2	4	8	Medium	Lead Consultant to go through specification with school and SW to ensure scope is understood and expectations are met. School to sign off spec.	09/08/10	Architect
8	General	Project Team members change	Project loses momentum as new person gets up to speed.	09/07/10	All	2	4	8	Medium	Project over extended period. All project information to be up to date to allow succession of info if other persons are required to take over project	09/08/10	Project manager / All
9	Budget	Contract tenders returned higher than budget	Programme delayed whilst additional funding agreed or project is reduced / value engineered	27/09/10	Client	3	4	12	High	Continued value engineering with design team and preferred contractor. Additional funding secured from Capital funds or Schools devolved capital.	11/10/10	Client