

CABINET

21 DECEMBER 2010

GATEWAY 4 CONTRACT MANAGEMENT: BISHOP OF ROCHESTER ACADEMY ENVIRONMENTAL IMPROVEMENT WORKS

Portfolio Holder: Councillor Les Wicks, Children's Services
Report from: Rose Collinson, Director of Children and Adults
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Summary

This report provides a review of the contract to undertake environmental improvement works at Bishop of Rochester Academy to enable it to open as a new Academy on 1 September 2010.

1. BUDGET AND POLICY FRAMEWORK

1.1 The project was tendered via the KCC Contractors' Framework and is being reported to Cabinet as it has been classified as high risk. The works were completed in September 2010 as programmed.

2. RELATED DECISIONS

2.1 The works were tendered following a low risk business case report to Children and Adults DMT in May 2010 in accordance with the procurement regulations in place at the time. The tenders were delayed due to the review of Academy and Building Schools for the Future programmes undertaken by the new government. The funding for the works was confirmed on 17 June 2010, which left a very short time in which to tender the works, and a contractor was approved on 23 July 2010.

3. BACKGROUND/INTRODUCTION

3.1 This report outlines the contract management approach used for the project and any lessons learned. It acts a review of the project following completion of the works in September 2010. The project was to make improvements to the Medway Community College and Chatham South sites prior to them reopening as Bishop of Rochester Academy.

4. MANAGEMENT OF THE CONTRACT/ BENEFITS REALISATION

- 4.1 Following the approval of the procurement approach set out in the Gateway 1 report, the contract was let using the JCT Minor Works Building Contract with Contractor's Design 2005, Revision 2 2009 (including Preliminaries) to enable the project to progress quickly given the delays from the Department for Education (DfE). This form of contract passes the responsibility for design to the contractor, which gives a shortened pre-contract period.
- 4.2 The scope of works to be undertaken was agreed with the DfE to ensure that it met their requirements for grant funding for start-up academies, whilst also dealing with the needs of the Academy for them to be able to open on time with the correct improvements to support teaching and learning. These improvements included upgrades to changing facilities, alterations to areas linked to the Academy music specialism and also community areas of the buildings such as the school hall and the reception and entrance areas. The Council supported the works with improvements to access for those with physical disability. These improvements will help the Academy to support children and young people in realising their potential as well as enabling more community involvement with the Academy.
- 4.3 The initial grant funding allocated by the DfE (when it was Dept for Children, Schools and Families, DCSF) was £350,000. This was subject to review and the new government reduced this to £265,000. In order to maximise the funding in relation to the needs of the Academy, the capital programme manager worked with the Principal of Bishop of Rochester Academy and his colleagues to ensure all priority environmental improvements were funded as part of the project. The breakdown of grant funding across the two sites operated by the Academy was as follows:
- January 2010 DCSF allocation £350,000:
 - Medway Community College - £210,000
 - Chatham South – £140,000
 - June 2010 DfE revised allocation £265,000:
 - Medway Community College - £169,500
 - Chatham South - £85,500
- 4.4 Through the capital monitoring process in September 2010, the Council agreed to add developer contribution funding to the budget to bring it up to £415,000 to enable critical works to support disability access and condition items, that are not funded by Academies Environmental Improvement Grants. The final scope of works was costed within the revised budget of prior to tendering.
- 4.5 The quantity surveyors reported throughout the project on a weekly basis as part of the site progress meetings and undertook all financial monitoring. The weekly meetings were set up due to the tight timescales and the need to ensure the works were programmed to suit the decant and cleaning works commissioned by the Academy alongside the construction work. The

meetings were chaired by MACE, who acted as project supervisor for the Council.

- 4.6 The final account has been agreed with the main contractor and has come in slightly below budget. The remaining budget of £35,000 will be allocated to another schools capital project through the usual approval route. The entire grant will be reclaimed from DfE by the deadline, which is March 2011, once all the supporting documentation has been collated.

5. VARIATIONS REQUIRED DURING CONTRACT TERM

- 5.1 The works described in the contract documents have been delivered by the contractor to programme. There has been no variation in the overall contract.

6. PERFORMANCE AND CHANGE MANAGEMENT

- 6.1 The contractor, Birkby Construction, worked extremely hard to complete the works on programme and within budget and was a good partner to both the Council and the Academy, being very responsive to the operational issues faced by a school when construction works are ongoing. The school organisation team would be very happy to work with this contractor again.

7. LESSONS LEARNED

- 7.1 The project went very well under challenging circumstances outside the control of the project team. The DfE came to inspect the final works on 30 September 2010 to check that the works had been carried out in accordance with the terms and conditions of the grant. The DfE complimented the Council and the Academy for working very effectively in partnership to maximise the grant and undertake environmental works that really make a difference to the staff and students at the Academy.
- 7.2 The choice of contract form was suitable for the project and the frequency of meetings for programme and financial management worked well.

8. NEXT STEPS

- 8.1 The contract is now completed. There will be an end of defects period inspection in 12 months time and then the final retention monies will be released to the contractor, subject to there being no defects outstanding at that stage. The retention amount will be charged to the 2010-2011 capital programme.

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

- 9.1 This report provides a review of the contract to undertake environmental improvement works at Bishop of Rochester Academy to enable it to open as a new Academy on 1 September 2010. The works are funded by a Department for Education environmental improvement grant, as part of the overall

programme to develop a new academy at the Bishop of Rochester Academy site.

- 9.2 Cabinet approved the Academy Programme at its meeting on 15 December 2009 (Cabinet decision 223/2009) and the Procurement Board receives periodic updates, the last of which was presented on 29 September 2010.

10. PROCUREMENT BOARD

- 10.1 The Procurement Board considered this report on 1 December 2010 and recommended it to Cabinet for consideration.

11. FINANCIAL, PROCUREMENT AND LEGAL COMMENTS

- 11.1 **Comments for the Chief Finance Officer or designated deputy:**
The project costs have been met from the 2010-2011 capital programme via Environmental Improvement Grant from the DfE and developer contributions.
- 11.2 **Comments of the Head of Procurement or designated deputy:**
Strategic Procurement is satisfied that the contractor has performed to a satisfactory standard in accordance with the original procurement requirements and specification with which the Council undertook the competitive tendering process via the KCC select list of approved contractors.
- 11.3 **Comments of the Monitoring Officer or designated deputy:**
Both the contractor selected (through the use of KCC's Contractors Framework) and the form of contract used for this project, have been instrumental in delivering a successful project outcome in terms of both cost (just below budget) and completion date (in accordance with the programme in the contract). All parties involved have worked together well to deliver an outcome that was commended by the DfE.

12. RECOMMENDATION

- 12.1 The Cabinet is asked to note this report.

13. SUGGESTED REASONS FOR DECISION(S)

- 13.1 The Council's contract rules set out that Cabinet consider those Gateway 4 Contract Management reports which have been classified as high risk.

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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 report and risk assessment	W: drive	May 2010