

CABINET

21 DECEMBER 2010

GATEWAY 1 OPTIONS APPRAISAL: LORDSWOOD SCHOOL PRIMARY STRATEGY PROJECT

Portfolio Holder: Councillor Les Wicks, Children's Services
Report from: Rose Collinson, Director of Children and Adults
Author: Cathy Arnold, Capital Programme Manager
Sarah Woods, Capital Project Manager

Summary

This report sets out the options appraisal for the building works to support the amalgamation of Lordswood Infant and Junior Schools.

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 Primary Strategy for Change policy.

2. RELATED DECISIONS

- 2.1 On 12 May 2009, Cabinet (decision 72/2009) agreed to consult on the proposal to amalgamate Lordswood Infant School with Lordswood Junior School.
- 2.2 At the 15 December 2009 meeting (decision: 212/2009) Cabinet "authorised the Director of Children and Adult Services, in consultation with the Portfolio Holder for Children's Services, to publish full proposals including statutory notices relating to the closure of Lordswood Junior School and the prescribed alterations to Lordswood Infant School.
- 2.3 In addition, (decision: 213/2009) the Cabinet agreed, "to delegate authority to the Director of Children and Adult Services, in consultation with the Portfolio Holder for Children's Services to determine whether to approve the proposals at the end of the statutory representation period, if no objections are received."

- 2.4 Children and Adult Services Directorate Management Team (CASDMT) confirmed approval of the business case paper, to proceed with detailed design on 13 May 2010.

3. BACKGROUND/INTRODUCTION

- 3.1 Following the above approval from CASDMT 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 the Kent County Council's (KCC) select list of approved contractors.

4. BUSINESS CASE

4.1 Business Case Summary

Lordswood Infant and Junior school were amalgamated in September 2010. The education vision for the headteacher, governors and senior team are to provide functional, inspirational and secure learning environments for all pupils using the foundation stage model of open plan spaces and project-based learning.

The project is needed to provide one united building for the school following their amalgamation and improved accommodation for teaching and learning.

By making better use of the space on the ground floor, all classrooms can be accommodated and situated together in year groups, with access to shared resources and to outside classroom space, enabling cross class working.

The link building to join the two schools will unite the schools physically as well as providing a functional weatherproof route for children, staff and visitors.

4.2 Strategic Context

The project will support the council's Primary Strategy for Change policy, in providing 21st century accommodation for high quality teaching and learning.

4.3 Whole Life Costing/Budgets

This information is set out in an exempt appendix.

4.4 Risk Management

A copy of the full risk register is set out in the exempt appendix as it contains commercially sensitive information.

4.5 Market Testing (Lessons Learnt/Bench Marking)

The works being undertaken can be offered by a number of quality contractors and good value for money can be obtained by tendering through the council's contractor framework.

4.6 Stakeholders Consultation

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. Consultation will continue throughout the project including continued liaison between the Headteacher and pupils.

4.7 Other Issues

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 deliver 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 a 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 the local community.
- 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 Planning permission was granted on 8 November 2010. An application has also been made to STG building control

7. OPTIONS APPRAISAL

7.1 Success Criteria/Key Drivers/Indicators

- 7.1.1 Improvements to the teaching and learning at the school can be measured through Key Stage results and Ofsted ratings. This would be expected following improvements to the staff and pupils' motivation and improvements also in the outcomes for pupils as part of the Every Child Matters agenda. In 2010, Lordswood Infant School results at KS1 were significantly below the national average in reading, writing and mathematics at L2B+. To set this in context, the last Ofsted report for Lordswood Infants School, published in January 2009 states *"Pupils enjoy coming to this satisfactory school. Teaching across the school is satisfactory with good elements."* Similarly attainment at Lordswood Junior School in KS2 shows that results in English and mathematics are significantly below the national average. The last Ofsted inspection report for Lordswood Junior School (June 2009) states *"Lordswood is a satisfactory school. Parents generally commented positively about the school with one saying, 'My children love this school'"*.

Investment in the new building and facilities for the school community will enable the school and Governing Body to achieve better outcomes for pupils.

- 7.1.2 Improvements to pupil attainment are currently measured by the following national indicators but these may change as Government policy develops:

NI 73 - Percentage of pupils achieving L4+ in both English and mathematics

NI 76 - Reduction in number of schools where fewer than 55% of pupils achieve L4+ in both English and mathematics

NI93 - Progression by 2 levels in English between KS1 and KS2

NI94 - Progression by 2 levels in Maths between KS1 and KS2

NI99 - Children in Care reaching level 4 in English at Key Stage 2

NI100 - Children in Care reaching level 4 in Maths at Key Stage 2

NI102a - Attainment Gap FSM/non FSM Key Stage 2 inc English and Maths

NI104 - Attainment Gap SEN/non SEN Key Stage 2 inc Eng and Maths

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. There will be an enabling package undertaken to address immediate needs in relation to building services and utilities. This will ensure the school will continue to be operational throughout the main contract period. The building contract will then address the teaching and learning requirements.

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.

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

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.

8. PREPARATION OF THE NEXT STAGE OF PROCUREMENT

8.1 EU Implications

The proposed procurement methodology of utilising the KCC select list of approved contractors, to subject this requirement to a tender process, in line with Medway's Contract Rules will ensure a robust and compliant procurement process is adhered to. The estimated value of the project 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 KCC select list of approved contractors and will ensure that the EU treaty 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.

Consideration has been given to procurement via other frameworks such as IESE. However due to the lower value of the contractor 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

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 details of the fees payable for the project are set out in the exempt appendix.

8.3 Contract Management

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 OF THE PORTFOLIO HOLDER FOR CHILDREN'S SERVICES

- 9.1 The project supports the amalgamation of Lordswood Infant and Junior Schools and will transform the two existing buildings into one inspirational facility for the pupils, families and community of the Lordwood area.

10. PROCUREMENT BOARD

- 10.1 The Procurement Board considered this report on 1 December 2010 and recommended its approval to Cabinet.

11. FINANCIAL, PROCUREMENT AND LEGAL COMMENTS

- 11.1 Comments from the Section 151 Officer:
The costs for this project are being met from the Capital Programme. £14.9 million has been approved for Primary Strategy projects, of which this is one, while Lordswood School will also have the Every Child a Reader grant of £10,000 to support the scheme. The construction budget is capped and should tenders come in above the budget sum, the design team will work with the school to carry out a value engineering exercise to bring the scheme within budget.
- 11.2 Comments from the Procurement Officer:
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 without subjecting this requirement to a formal tender process via advertisement. 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 Council 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 compliance with the selection protocols of the KCC select list of approved contractors.
- 11.3 Comments from the Monitoring Officer (or designated deputy)
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. 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. Where the contract value is below the EU procurement threshold it may be appropriate to use an approved or select list of contractors from which a tender list can be drawn. The proposal is to use KCC's select list of approved contractors. The contractors on this list will have been selected after advertisements in the appropriate trade journals and a process of evaluation that would have considered the financial stability and technical competence of contractors applying to be included in the list. In all cases the procurement should be subject to the overriding requirement to secure value for money for the Council.

12. RECOMMENDATION

12.1 The Cabinet is asked to approve progress to Gateway 2 – Competitive Process, using the single stage tender, as set out in paragraph 7.3 of the report.

13. SUGGESTED REASONS FOR DECISION(S)

13.1 The new facilities are required to support the amalgamation of the predecessor schools and support the achievement of improved outcomes for students. The capital programme approved by Cabinet in February 2010 includes funding for the project.

Report Originating Officer:	Sarah Woods	☎ 01634 332116
Chief Finance Officer or deputy:	Mick Hayward	☎ 01634 332220
Monitoring Officer or deputy:	Deborah Upton	☎ 01634 332133
Head of Procurement or deputy:	Frederick Narmh	☎ 01634 331021

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

Description of document	Location	Date
Lordswood Federated School – Business case	W:\School_Services\Planning_Review\Live Projects\9X822\Lordswood\Lordswood\Business Case	13/05/2010
Cabinet Reports Decision 72/2009 Decision: 212/2009 Decision: 213/2009	W:\School_Services\Planning_Review\Primary Strategy for Change\Primary Schools Reorganisations 2009 onwards\Amalgamations\Lordswood Inf & Jnr\Statutory Notices	12/05/2009 15/12/2009

Lordswood School Project - Programme Dates

Task Name	Duration	Start	Finish
Business Case Approval by DMT	15 days	3-May-2010	21-May-2010
Appoint Design Team	10 days	24-May-2010	4-Jun-2010
QS Cost Check	0 days	9-Aug-2010	9-Aug-2010
Develop Design Proposals	93 days	7-Jun-2010	13-Oct-2010
School Sign Off Design	0 days	13-Oct-2010	13-Oct-2010
QS Cost Check	0 days	11-Oct-2010	11-Oct-2010
Prepare Planning Application	52 days	7-Jun-2010	17-Aug-2010
Planning Determination Date	0 days	15-Nov-2010	15-Nov-2010
Preparation of Tender Documents	44 days	14-Oct-2010	14-Dec-2010
Submit Building Regs Application	0 days	14-Dec-2010	14-Dec-2010
QS compiles tender pack and pricing Schedule	5 days	15-Dec-2010	21-Dec-2010
Deliver Tender Package to Medway	0 days	21-Dec-2010	21-Dec-2010
QS completes PTE	0 days	21-Dec-2010	21-Dec-2010
Procurement Board No.1 - Paper Due	0 days	24-Nov-2010	24-Nov-2010
Procurement Board No.1 - Meeting Date	0 days	1-Dec-2010	1-Dec-2010
Cabinet Meeting No.1 - Paper Due	0 days	7-Dec-2010	7-Dec-2010
Cabinet Meeting No.1 - Meeting date (+5 day Call-In Period)	7 days	21-Dec-2010	29-Dec-2010
Tender Period	25 days	4-Jan-2011	7-Feb-2011
QS completes Tender Report	10 days	8-Feb-2011	21-Feb-2011
Value Engineering with Preferred Contractor	5 days	22-Feb-2011	28-Feb-2011
Instruct Enabling Works	0 days	25-Feb-2011	25-Feb-2011
Procurement Meeting No.2 - Paper Due	0 days	2-Mar-2011	2-Mar-2011
Procurement Meeting No.2 - Meeting Date	0 days	9-Mar-2011	9-Mar-2011
Cabinet Meeting No.2 - Paper Due	0 days	15-Mar-2011	15-Mar-2011
Cabinet Meeting No.2 - Meeting Date (+5 day Call-In Period)	8 days	29-Mar-2011	7-Apr-2011
Place Main contract / Contractor Mobilisation	21 days	8-Apr-2011	6-May-2011
Enabling Works Period	20 days	11-Apr-2011	6-May-2011
Main Contract Period	145 days	9-May-2011	25-Nov-2011