

## **CABINET**

**18 JANUARY 2011**

### **GATEWAY 1 OPTIONS APPRAISAL: THAMES VIEW FEDERATED SCHOOLS PRIMARY PROJECT**

Portfolio Holder: Councillor Les Wicks, Children's Services

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#### **Summary**

This report sets out the options appraisal for the building works to support the amalgamation of Thames View 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 agreed to consult on the proposal to amalgamate Thames View Infant School with Thames View Junior School (decision 71/2009).
- 2.2 At the 15 December 2009 meeting 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 Thames View Junior School and the prescribed alterations to Thames View Infant School" (decision: 217/2009).
- 2.3 In addition, 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." (decision: 218/2009)

- 2.4 Children and Adult Services Directorate Management Team (CASDMT) confirmed approval of the business case paper, to proceed with detailed design on 19 August 2010.

### **3. BACKGROUND/INTRODUCTION**

- 3.1 Following the above approval from CASDMT on 19 August 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**

Thames View Infant and Junior school have federated and will amalgamate in April 2012. In order for the school to sustain the number of pupils on roll, we will extend the nursery accommodation. This will increase the number of places the school is able to offer to align with their published admission number of 60. We will also improve the dropping off/waiting area outside the nursery entrance with use of a canopy.

The junior school building will have a new main entrance, offering a more obvious focal point for visitors to the school and allowing sufficient space for a central hub for administrative staff for the amalgamated school.

#### **4.2 Strategic Context**

The project will support the council's policy, in providing 21<sup>st</sup> 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 seeking tenders from contractors on KCC's select list of contractors.

#### **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. The headteacher has engaged with the pupils for their views and this has been reported back to the design team during the scheme development. Consultation will continue throughout the project.

#### **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.
- Local Community and Local Economy – The project provides buildings that will offer enhanced 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. This includes the requirements of the Construction Design & Management

### **6. PERMISSIONS / CONSENTS**

- 6.1 A planning application was made in December 2010. An application will also be made to STG building control

### **7. OPTIONS APPRAISAL**

#### **7.1 Success Criteria/Key Drivers/Indicators**

Improvements to the teaching and learning at the school can be measured through Key Stage results and Ofsted ratings. In 2010, Thames View Infant School results at Key Stage 1 were above the national average in reading, writing and mathematics at L2B+. Attainment at Thames View Junior School at Key Stage 2 show that results in English are above the national average and results in mathematics are above the Medway average, but below the national average. Thames View Infant School was judged as good by Ofsted in April 2009. The junior school was judged as satisfactory with some good

features in February 2008. Investment in the school buildings will enable the school and Governing Body to build on these achievements, providing even better outcomes for pupils and will support the amalgamation.

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

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

### Single stage design and building contract:

This option transfers the risk for design to the contractor and enables the design team to refine the design with the school whilst engaged with the contractor. The contractor will be meeting the costs of the technical aspects of the scheme.

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

This option means that the design team will specify the solution prior to inviting tenders. The risks are therefore the responsibility of the client team. This may lead to claims of extend time by the contractor during the contract period, if they cannot be resolved immediately.

## 7.3 Preferred Option

Due to the size of the project and its complexity, single stage design & build would be the most suitable approach, as much of the design risk is passed onto the contractor. With robust employer's requirements, and what is essentially an uncomplicated design, the project lends itself to this method of building procurement. By using a traditional specification and tender, we leave ourselves at risk of potential unforeseen costs, and further claims from the design team.

## **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 Medway Council's Building & Design Services Team. 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 Thames View Infant and Junior Schools, by providing works to unify the schools and offer opportunities for the school to engage with the community.

## **10. PROCUREMENT BOARD**

- 10.1 The Procurement Board considered this report on 22 December 2010 and recommended its approval to Cabinet.

## **11. FINANCIAL, PROCUREMENT AND LEGAL COMMENTS**

- 11.1 Comments from the Section 151 Officer:

The cost of this project is to be met from the current capital programme. £14.9million has been approved for Primary Strategy projects, of which this is one. The construction budget is capped and should tenders come in above the budgeted sum, the design team will work with the school to value engineer the scheme to remain within the available budget.

- 11.2 Comments from the Procurement Officer:

The proposed procurement process constitutes a works procurement under the EU procurement regulations. In line with the EU procurement regulations, procurements, which have a total contract value below £3,927,260, are not subject to the full application of the EU procurement regulations.

This means that Medway as a contracting authority does not need to apply stringent advertising processes and timescales to the procurement process, does not need to advertise across Europe via the Official Journal of the European Union and must comply solely with Medway's contract rules.

These rules require adherence to the procurement Gateway Process and some form of competitive process either through formal advertisement and tendering or through the use of a pre-approved select list or framework. The KCC select list has been put forward as the preferred option.

The use of the select list is fully compliant with Medway's Contract Rules and should enable the delivery of best value through saving officer time and cost in respects to advertisement and formal tendering and should potentially enable the delivery of the project through local suppliers and local labour.

Although the EU procurement regulations do not apply, the client department must nonetheless ensure that the EU treaty principles of transparency, fairness and equal treatment are upheld through the creation of a robust specification and corresponding evaluation process.

- 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 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
<u>Cabinet Reports</u>	W:\School_Services\Planning_Review\Primary Strategy for Change\Primary Schools Reorganisations 2009 onwards\Amalgamations\Thamesview Inf & Jnr\Statutory Notices	12/05/2009 15/12/2009 15/12/2009
Decision 71/2009 Decision: 217/2009 Decision: 218/2009		
Thames View Federated School – Business case	W:\School_Services\Planning_Review\Live Projects\9X824 Thames View\Thames View\Business case	19/08/2010

## Appendix A

### Procurement Timeline

### Thames View Federated Schools Project - Programme Dates

Task Name	Duration	Start	Finish
Budget Approval	1 day	25-Oct-10	25-Oct-10
Appoint Design Team	15 days	26-Oct-10	15-Nov-10
Prepare Feasibility Drawings	7 days	23-Nov-10	01-Dec-10
Site surveys and investigations	15 days	01-Dec-10	21-Dec-10
Prepare Planning Applications	13 days	05-Nov-10	23-Nov-10
School Sign Off Design	1 day	17-Dec-10	17-Dec-10
QS Cost Check	5 days	24-Nov-10	30-Nov-10
Medway Budget & Procurement Approval	1 day	18-Jan-11	18-Jan-11
Planning Determination Date	1 day	18-Feb-11	18-Feb-11
Detailed Design, Spec & Dwg Preparation. Schedules of Work	20 days	20-Dec-10	14-Jan-11
QS compiles tender pack and pricing Schedule	5 days	17-Jan-11	21-Jan-11
Deliver tender Pack to Medway	1 day	21-Jan-11	21-Jan-11
Tender Period	15 days	24-Jan-11	11-Feb-11
QS completes Tender Report	5 days	21-Feb-11	25-Feb-11
Procurement Board Approval	1 day	9-Mar-11	9-Mar-11
Cabinet Approval (Gateway 3)	1 day	29-Mar-11	29-Mar-11
Place contract / Contractor Mobilisation	10 days	08-Apr-11	18-Apr-11
Contract Period - (22 Weeks)	110 days	02-May-11	30-Sep-11