

Agenda item:

[No.]

Procurement Committee

28 October 2008

Report Title: **Building Schools for the Future (BSF): Pre-Contract Demolition Works at Gladesmore Community School.**

Forward Plan reference number: N/A

Report of: **Director of the Children & Young People's Service**

Wards(s) affected: **Seven Sisters**

Report for: **Information**

1. Purpose

1.1 To inform the Procurement Committee of a Delegated Authority award for Preconstruction works at Gladesmore Community School.

2. Introduction by Cabinet Member

2.1 Extending the contract for enabling works will benefit the school by limiting the disturbance made by demolition works in term time and allow the whole project to complete earlier.

3. Recommendations

3.1 The Procurement Committee note the pre-contract demolition works at Gladesmore Community School.

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4. Chief Financial Officer Comments

- 4.1 The cost of awarding the pre-construction demolition works is budgeted for within the overall BSF Construction Cash Limited budget and, in addition can be achieved within the sum originally agreed for pre-construction works in June 2008. This is partly because the scope of the original works has reduced and partly because some cost reductions have been achieved.
- 4.2 Whilst it is anticipated that undertaking these works will result in a shorter construction completion date, estimated at up to 12 weeks, the financial effect cannot be clearly quantified as the final Agreed Maximum Price for this project, has yet to be agreed.

5. Head of Legal Services Comments

- 5.1 This report is informing Procurement Committee of a contract variation approved by the Director of Children and Young People's Service pursuant to Contract Standing Order (CSO) 13.3.
- 5.2 The original contract - the contract for enabling works (valued at £235k) - was awarded to Balfour Beatty by the Director of Children and Young People's Service on 14th July 2008 pursuant to CSO 11.2 which allows a Director to award contracts below £250k in value.
- 5.3 A need for demolition works to be undertaken in respect of some areas of the school was subsequently identified and a request for approval of a variation to the original contract with Balfour Beatty to include the demolition works valued at £162k was authorised by Director of Children and Young People's Service pursuant to CSO 13.3.
- 5.4. CSO 13.3 allows a Director to authorise such a variation to a contract where the Director considers that the circumstances require such authorisation, provided the variation is reported to the Procurement committee at the earliest opportunity, which the Director of Children and Young People's Service is now doing by way of this report.

6. Head of Procurement Comments

- 6.1 This work has been procured through the contractor who has been awarded the pre-construction agreement and who carried out the previous enabling works.
- 6.2 This work is now required to enhance the delivery of the overall programme. This demolition works would have been part of the overall Agreed Maximum Price but is being brought forward in a move intended to achieve greater certainty of the programme delivery date.
- 6.3 To enable this work to happen, this work has been signed off by delegated authority as an extension under 13.02 of the previous award and is now presented to Procurement Committee for information.

7. Local Government (Access to Information) Act 1985

8. Background

- 8.1 In April 2007, following an Official Journal of the European Union (OJEU) process, Haringey's Procurement Committee agreed a framework of six Constructor Partners (CP). The CPs would be used to source the twelve school projects in the BSF programme.
- 8.2 In May 2008 it was agreed with the Leader of the Council that, in order to give full Member involvement in the BSF Design and Build process, the pre-construction stage would be reported to Procurement Committee for approval. Subsequently the main award with an Agreed Maximum Price (AMP) would also be presented to Procurement Committee.
- 8.3 Currently, the Gladesmore Community School Project is at the Pre-Construction Agreement stage. The Employer's Requirements are being priced and Contractors Proposals prepared by Balfour Beatty.
- 8.4 Various BSF enabling works have been completed at schools over the summer, including Gladesmore. These later works could not be completed with the previous Gladesmore enabling works package as scheme design development had not progressed sufficiently to be adequately scoped and priced.
- 8.5 Procurement Committee are advised of this latest award, an extension to the contract for enabling works. The extension value is under £250k (£162,354), if it was added to the previous enabling works (£234k) the total would have been over £250k (£396k).
- 8.6 Considering timescales the works were approved by the Delegated Authority of the Director of Children and Young People's Service on the 25th September 2008. This report is the consequential information report to the Procurement Committee.

9. Pre-Contract Works

- 9.1 These works consist of the demolition of the existing gym, changing rooms and block J (community block) in advance of the main contract works.

10. Benefit

- 10.1 Significantly reduces pressure on the programming of complicated phasing of the works, improving the construction completion date by up to 12 weeks.
- 10.2 Majority of the demolition will be undertaken during the school's October half term, significantly reducing disruption.
- 10.3 Dusty and dirty works will be completed whilst the school is largely vacated.
- 10.4 Health and safety risks are reduced as pupils are not present – a greater area can be hoarded off.
- 10.5 More efficient working than completing demolition over Christmas period.
- 10.6 Reduce risk of inclement weather delaying the demolition works.

11. Programme Implication

- 11.1 Potentially, the overall construction programme can be completed 12 weeks earlier through significant phasing and decant advantages. The new link

corridor would be completed for summer 2009 reducing temporary transit routes.

- 11.2 Approval to complete these works was required by 25th September 2008 to enable procurement and Construction Design and Management lead-in periods to be met.

12. Financial Implications

- 12.1 All works proposed in this report form part of the original scope envisaged for the BSF summer enabling works package reported to the BSF Board on 03/06/2008. Demolition work at Gladesmore School work could not be progressed in summer 2008, although tangible benefits including programme gain of a minimum of 12 weeks, operational and health and safety benefits have been identified if the work is completed in the October 2008 half-term. Demolition costs of £162,354 are included within the Gladesmore School project cash limited budget of £10.114m.

- 12.2 A series of works was identified in June 2008, totalling £1,036,500 for BSF enabling works to be underwritten from the Council's Financial Reserve in advance of BSF Final Business case (FBC) Approval. These works were presented to the BSF Programme Board on 03/06/2008 and approved by the Leader of the Council on 05/06/2008. The position re summer enabling works was updated at the BSF Programme Board on 05/08/2008, at which point it was expected that a total sum of £1,029,337 would be committed. Subsequent changes to the summer programme means that the lesser sum of £846,861 was actually committed on summer enabling works, leaving the residual sum of £189,639 from the original approval uncommitted at this time. In these circumstances, £162,354 is included in the Gladesmore School project cash limited budget, and this sum can be committed in advance of FBC approval by drawing on the remaining £189,639 underwritten from the Council's Finance Reserve.

- 12.3 It should be noted that the FBC is planned to be approved in mid November 2008, but if the FBC was not approved for any reason this will trigger deferral of funds to agreed projects in the 2009/10 C&YPS capital programme as presented in the BSF Programme Board report dated 03/06/2008.

13. Legal Implications

- 13.1 Please refer to Paragraph 5.

14. Equalities Implications

- 14.1 The new build elements of the Gladesmore Community School project are being designed to be fully accessible to all levels of physical ability. As part of the vision for the campus, the facilities have the potential to be open to the local community.

15. Recommendation

- 15.1 The Procurement Committee note the Pre-Contract demolition works at Gladesmore Community School for a sum of £162,354K.