


[No.]

Agenda item

<b>Report Title. Building Schools for the Future: Award of Contract for Hornsey School for Girls</b>	
Report authorised by  Director of the Children & Young People's Service	
Contact Officer : David Bray 020 8489 1824 david.bray@haringey.gov.uk	
Wards(s) affected: Hornsey	Report for: Key Decision
<b>1. Purpose of the report</b> 1.1 To seek Procurement Committee approval to award the main works design and build contract for Hornsey School for Girls following the completion of the Pre-Construction Stage	
<b>2. Introduction by Cabinet Member</b> 2.1 The works included in this contract will bring enormous improvements to Hornsey School for Girls and will be of direct and lasting benefit to pupils. 2.2 I am satisfied that the appropriate processes have been followed and we will be getting good value for money from this contract as well as contributing to our Greenest Borough strategy via a range of sustainability features. 2.3 I am particularly pleased to note that our construction partner is to set up apprenticeships in a range of positions which will be monitored as a Key Performance Indicator. 2.4 I am happy to support the recommendations.	
<b>3. State link(s) with Council Plan Priorities and actions and /or other Strategies:</b> 3.1 Council Priorities 3.1.1 Making Haringey one of London's Greenest Boroughs 3.1.1.1. The Hornsey School for Girls Project exhibits a number of sustainability features, as follows:	

- Green Roof to Learning Resource Centre and to Administration Block
- Air Source Heat Pump
- Measures to min. water use
- Energy efficient lighting
- Lighting daylight sensing
- Lighting occupancy sensing
- sub-metering
- School travel plan
- Recycled construction materials
- Certified Timber (Chain of Custody)
- Reduced Volatile Organic Compound materials
- Sustainable measures visible to students
- Introduction of a wild garden

3.1.1.2. The scheme will achieve a Building Research Establishment Environmental Assessment Method (BREEAM) “Very Good” rating.

### 3.1.2 **Creating a Better Haringey: Cleaner, Greener and Safer**

3.1.2.1. The Hornsey School for Girls Project will renew, improve and extend the fabric of the school significantly enhancing the learning environment of the students. This will improve their safety both on site and moving to, from and within the site. The buildings provide for improved and secure access into the school, as well as free and convenient access for wheelchair or pushchair users throughout.

### 3.1.3 **Encouraging Lifetime Well Being, at Home, Work, Play and Learning**

3.1.3.1. The BSF programme will contribute to the transformation in outcomes for young people in Haringey by improving the learning environment, providing anywhere/anytime access to ICT, increasing inclusion and providing a wider range of pathways of study.

3.1.3.2. The BSF programme will improve access to extended services in and around schools and contribute to improving community cohesion. Examples include access to out of hours study support for children and families, sports and the arts.

### 3.1.4 **Promoting independent living while supporting adults and children when needed**

3.1.4.1. The Construction Partner has undertaken to implement, wherever possible, the Council’s policies in respect of employing local labour, and creating apprenticeships for local people.

### 3.1.5 **Delivering Excellent, Customer Focussed, Cost Effective Services**

3.1.5.1. Key to the success of the BSF programme is to improve standards in schools. Hornsey School for Girls provides an excellent education for pupils with special needs. The BSF programme will add to the learning environment for all young people to enable further progress to be made.

3.1.5.2. The BSF work to the school’s entrance and relocation of the reception area

to the front of the site will bring about much needed improvements in security and to the way in which visitors are greeted, and ensure the schools can make more cost-effective use of staffing resources, allowing prioritisation of staff use to further drive up standards.

3.1.5.3. The new Learning Resource Centre will support improvements in standards, and post 16 stay-on rates by promoting more effective independent learning for students across all key stages; potential community access to this facility will also benefit community cohesion, and improvements in adult learning.

## **3.2 Council Strategies**

### **3.2.1 Safer for All**

3.2.1.1. In all our work we will pay particular attention to:

- Young people and crime
- Mental health issues
- Support for victims and witnesses of crime
- Working with and through communities (Community Engagement)

## **3.3 Resources**

### **3.3.1 Value for Money**

3.3.1.1. Overall Value for money is achieved by the procurement methodology to prove the economy, efficiency and effectiveness of each project as it is tendered. Six suitable contractors formed a BSF contractor framework to serve each project in the programme, by means of mini competitions. The successful contractor worked through the design stage ultimately producing costed packages of work. The exercise is "open book", allowing the project manager and cost manager to see the sub-contractors tenders and confirm the price meets scope and quality criteria.

3.3.1.2. Due to the nature of the works within a live school site, Criminal Records Bureau (CRB) checks will be submitted and monitored by the London Borough of Haringey for the Construction Partners "on site" staff. Supervisors from sub-contractors will also be subjected to CRB. This will bring to the Council's attention anyone unsuitable to work with children and other vulnerable members of society.

3.3.1.3. Designers are briefed to ensure the new build elements comply to the highest level of energy saving. The project has adopted Haringey's sustainability policy. (see 3.1 above).

3.3.1.4. A thorough analysis of pupil place planning has been carried out to ensure that the school accommodation is appropriate for both current needs and the foreseeable needs of the future. Governors have signed an agreement to maintain the property in good order once the BSF work is completed. The FM aspect of the PFI contract will be reviewed at the end of the BSF works.

3.3.1.5. Work streams within the programme incorporate people from the Haringey work force where practical.

3.3.1.6. A workforce development programme is already in place to ensure the skills, knowledge and experience of the staff match the needs of an effective school.

### 3.3.2 Engagement of the Community

3.3.2.1. The designs have been made available prior to the construction stage for resident drop in sessions, school parents and school governors' review days, school council meetings, assemblies and information has been posted through the doors of local residents (also available on line for viewing). These initiatives will continue through the construction phase.

3.3.2.2. Full consultation has been undertaken as part of the BSF Stage approvals; this included consultation with Partnership for Schools, Commission for Architecture and the Built Environment (CABE), Council planners and building control, the Fire Officer and the Police (Secured by Design).

3.3.2.3. The BSF team held a number of sessions at the School where parents and local residents were invited to review the proposals, ask questions and make comments. The main issues raised were the height and appearance of the buildings and in particular its position at street edge. The subsequent changes to the design included setting the learning resource centre (LRC) back by 2m from street edge and lowering it by 700mm, increasing the amount of fenestration to the front elevation and introducing a planter in front of the LRC. Planting has also been incorporated along the car park frontage as well as replacing the fencing along the front elevation to give a more welcoming appearance.

3.3.2.4. The residents were generally supportive of the changes but wanted the Admin block to be set back to match the positioning of the LRC, but a satisfactory way of achieving this could not be found. The Planning Application proceeded and was granted on the basis of moving the LRC but not the admin block. We held a 'Meet the Contractor' session on 17<sup>th</sup> February 09 at which the works were discussed along with the measures we will be implementing to minimise disruption throughout the programme. Monthly resident meetings will be held once the works commence.

3.3.2.5. Full planning permission was received for the scheme on the 18th of December 2008.

3.3.2.6. The selected construction partner will have a Community Liaison Officer (CLO) whose role is to actively engage with the community through drop in sessions, leaflet drops, open evenings and many more stakeholder engagement activities to allow for comment and feedback during the construction process.

3.3.2.7. During the construction phase of the works the construction partner will set up apprenticeships and encourage the use of locally based labour and unemployed people. Apprenticeships will be within various positions, for example, trades,

administration and management. These will be monitored as a Key Performance Indicator.

### 3.3.3 Risk Management

3.3.3.1. Risks are managed within the governance of the BSF programme. This includes Stream Lead meetings and reporting to the Programme Board. The projects are managed within Prince 2 methodology and Managing Successful Programmes.

Procurements are managed to European Legislation and advice is taken from legal advisers to ensure compliance. A BSF Project Management Assurance Audit (undertaken by Deloitte & Touche Public Sector Internal Audit Limited) was completed in January 2009 and gave an overall programme rating of 'Substantial Assurance'.

## 4. Recommendations

4.1 That the Procurement Committee award the design and build contract, with a value set out in Appendix 16.1, with a 52 week programme to complete by 6<sup>th</sup> April 2010.

4.2 The procurement committee authorise spending on this contract up to the sum detailed in 16.1.2, with reference to the build up of this sum in 16.1.1.

## 5. Reason for recommendation(s)

5.1 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's). These CP's would be used to source the twelve school projects in the BSF programme.

5.2 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.

5.3 All the CP's on the framework were invited to submit proposals for Hornsey School for Girls project, via a mini-competition. The mini-competition process for Hornsey School for Girls was completed on 30<sup>th</sup> May 2008 and a preconstruction agreement was awarded to Apollo London Ltd on 17<sup>th</sup> July 2008.

5.4 The Pre Construction stage was undertaken as follows:

5.4.1.1. The Design Team Partner developed the level of design up to RIBA Stage D+ (detailed design) which formed the basis of the Council's Requirements. To allow the contractor partner to formulate an AMP the following information was sent to them:

- Drawings (architectural, structural and civils, mechanical and electrical,

landscape and acoustic)

- Specifications
- ICT proposals
- Waste management proposals
- Statutory requirements
- Programme
- Planned maintenance programme
- Key performance indicators
- Contract terms and conditions

#### 5.4.2 Pre Construction Services /Contractor's Proposals

5.4.2.1. The Contractor Partner undertook the following services in order to submit an AMP:

- Pre-construction design
- Supply chain management/works package tendering, with full cost management
- Value engineering/open book accounting
- Procurement of surveys
- Quality assurance
- Method statements
- Procurement of material samples
- Insurances/warranties and bonds

5.4.3 The Contractor Partner received the Council's Requirements on 12<sup>th</sup> November 2008 and then worked with the Design Team Partner and stakeholders to develop their Contractor's Proposals in response.

#### 5.5 Review

5.5.1 The majority of the works package items within the design were tendered by the Contractor Partner (CP) (The exceptions were loose furniture and utilities). The CP was instructed to send out individual work packages to a minimum of three suppliers. The suppliers returned their prices to Potter Raper Partnership's (cost consultant) office, for opening and recording, and the CP submitted a recommendation report for the individual packages, which demonstrated value for money. As a result, Potter Raper Partnership (PRP) confirmed that the AMP is a bona fide competitive tender with over 70% of the works received three tenders; the remainder were qualified, with PRP confirming these demonstrated value for money.

5.5.2 The Design Team Partner has reviewed the recommendation to ensure that they are compliant with the Council's Requirements There have been no significant derogations from the Council Requirements.

#### 5.6 Final Tender

5.6.1 The AMP was submitted and opened on 11<sup>th</sup> February 2009. The tender included the following information:

- Form of Tender
- Contractor AMP form

- Programme
- Contractor's Proposals

## 5.7 Health and Safety Implications

5.7.1 During the pre-construction stage the designs have been reviewed by a Construction Design and Management Co-ordinator, (Gardiner and Theobald). Their duties have included:

- Advise and assist the client with their health and safety duties
- Notify details of the project to HSE
- Co-ordinate health and safety aspects of the design work and co-operate with others involved with the project
- Facilitate good communication between the client, designers and contractors
- Liaise with the principal contractor regarding ongoing design work
- Identify, collect and pass on pre-construction information
- Prepare and update the health and safety file

5.7.2 As part of their acceptance onto the Contractor's Framework for BSF the contractor partner is a member of the Contractors Health and Safety Assessment Scheme (CHAS). This has allowed the Council access to contractor partner's information on their Health and Safety record, to ensure that they are meeting the necessary regulations.

## 6. Other options considered

6.1 Not Applicable

## 7. Summary

7.1 The Hornsey School for Girls BSF project has been the subject of a 2 stage tendering process with a contractor appointed to undertake pre-construction services. This report addresses the process used to ensure value for money, identifies the anticipated costs resulting from the procurement exercise and seeks approval to proceed to award the main design and build contract.

## 8. Chief Financial Officer Comments

8.1 The Chief Financial Officer has been consulted on the content of this report and has no additional comments to make.

## 9. Head of Legal Services Comments

9.1 The Director of children and Young People Services is seeking Procurement Committee approval of an award of the contract for the Design and Build phase of the Hornsey School for Girls Project (the Project), to the contractor named in paragraph 16.1 (the Contractor), and for authorisation to spend on this contract up to the sum

detailed in 16.1.2, with reference to the build up of this sum on 16.1.1.

9.2 The Contractor was recommended to the Procurement Committee for the award of the Pre-construction contract for the Project and the opportunity to negotiate an Agreed maximum Price for the project as a whole, following a mini-competition held with the contractors on the BSF Contractor Partners Framework Agreement.

9.3 As confirmed by external legal advisers to the BSF programme, Eversheds, the BSF Construction Partners Framework Agreement was established following the correct advertisement in accordance with EU public procurement directives and regulations.

9.4 The Pre-Construction services contract was awarded to the Contractor under delegated authority on 17<sup>th</sup> July 2008.

9.5 The Construction Procurement Group have confirmed that all parties to the Pre-Construction Services contract mini-competition understood that the Council reserved the right to award the subsequent contract for the Design and Build stage of the contract to the same contractor that was awarded the contract for the Pre-construction stage of the contract provided agreement as to an Agreed Maximum Price and other terms of the D & B contract is reached with that contractor.

9.6 Agreement as to the Agreed Maximum Price and other terms of the Design and Build contract have now been reached with the Contractor therefore this report is seeking approval of the award of the contract for the Design and Build stage of the Project to the Contractor.

9.7 As the value of the Agreed Maximum Price in relation to the proposed contract exceeds £250,000, the Procurement Committee is the appropriate body with the power, under CSO 11.3, to approve the award of the proposed contract.

9.8 The Head of Legal Services confirms that, subject to funding, there are no legal reasons preventing Members from approving the recommendation as to the proposed contract award set out in Paragraph 4 of this report.

## **10. Head of Procurement Comments**

10.1 The process for assembling the Agreed Maximum Price (AMP) is based on an open book process where the sum of each package of works compiles the AMP.

10.2 The AMP has been assembled by the contractor following a series of mini competitions to their supply chain and the figures received are arithmetically checked by the Cost Consultant. The prime contractor recommends the intended sub-contractor for each package for examination by the Cost Consultant and Project Manager.

10.3 The Agreed Maximum Price is then received and processed by Council officers in accordance with standing orders and financial regulations.



## 11. Equalities and Community Cohesion Comments

11.1 The new build elements of the Hornsey School for Girls project are being designed to be fully accessible to all levels of physical ability (DDA compliance). As part of the vision for the campus, the facilities have the potential to be open to the local community.

11.2 An Equalities Implication Assessment is complete and submitted to the Director of CYPS .

## 12. Consultation

12.1 The Construction Procurement Group has been fully consulted in the preparation of this report. Updates and any issues have been reported via scheduled meetings between the Construction and Procurement streams.

12.2 A wide range of internal and external stakeholders have been consulted during the course of project development. These stakeholders include the school and its administrators, the local community, local Members, Partnerships for Schools, DCFS, and the Commission for Architecture and the Built Environment (CABE).

12.3 A Governing Body Agreement has been agreed in principle with Hornsey School for Girls which acknowledges that the Contractor Partner will require access to the school premises to carry out the works and that the school will liaise closely with them to support the phasing and decanting requirements of the scheme.

12.4 Legal Implications (provided by Eversheds)

12.4.1 The BSF Framework Agreements with the Construction Partners were established following the correct advertisement in accordance with EC procurement directives and regulations.

12.4.2 The framework incorporates a mechanism in order to score call offs and mini competitions. It anticipates that, subsequent to the appointment of a contractor to a Pre-Construction Services Agreement, a Design and Build Contract will be entered into with that contractor in substantially the same form as the draft in the framework

12.4.3 Whilst the contractor has been proceeding with the services under the Pre-Construction Services Agreement, Haringey's Construction Procurement Group, with the assistance of other professional advisers, has been progressing the process of establishing the scope and price for the Design and Build Contract.

## 13. Service Financial Comments

13.1 Appendix 1 presents the AMP Stage Cost Schedule. This table confirms all project cost elements associated with the project's design and build phases based on information from Potter Raper Partnership and confirmed by the Mace Project Manager – this table incorporates previous stages approved via delegated authority. This table shows that the Maximum Project Cost equals the cash limited budget for this project and therefore has the necessary budget provision available for this

approval to be made.

13.2 The level of client provisional sums is relatively high (See Provisional Sum Schedule 16.2), representing 9.35% of the AMP sum. Agreement of final costs within the identified provisional sums plays a critical part in ensuring that the project can be managed within agreed budget levels. The Procurement Committee should therefore note the increased risk in settling the AMP contract incorporating client provisional sums in excess of 9% of the AMP sum. These sums are related to access and utilities, mechanical & electrical and ICT works to the legacy areas and will be carefully managed to ensure the project can be delivered within the available budget. The costs consultant have confirmed that the provisional sums allocated are reasonable for the works anticipated.

13.3 DCSF issued a revised promissory letter on Monday 24th November 08 confirming the BSF programme FBC had successfully been signed off, and the total grant funding payable to the council. As defined in the DCSF Funding Protocol, the date of this Promissory letter defines the moment of financial close for funding purposes. This was confirmed by the discussion and minute of the 21st October BSF Programme Board.

#### 14. Use of appendices /Tables and photographs

14.1 Agreed Maximum Price Summary (16.1)

14.2 Provisional sum schedule (16.2)

14.3 Programme Milestones (16.3)

14.4 Construction awards to date (16.4)

#### 15. Local Government (Access to Information) Act 1985

15.1 The following documents were used in the compilation of this report:

15.2 The Council's Standing Orders

15.3 Appendix 1 of this report contains exempt information and is not for publication. The exempt information is under the following category (identified in the amended Schedule 12A of the Local Government Act 1972):

- *Information relating to the financial or business affairs of any particular person (including the authority holding that information) (Ground 3).*