

Report for Cabinet Signing, scheduled for 15th June 2021

Title: Campsbourne Primary School – Building Services and Envelope Improvement Works Phase 1 – Award of Construction Contract

Report authorised by: Director of the Children’s Service, Ann Graham

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Ward affected: Hornsey

Report for Key/Non-Key Decision: Key Decision

1. Describe the issue under consideration

- 1.1 To request approval to award a contract to Mulalley and Company Ltd up to the £985,887 to undertake Building Services and Envelope Improvement Works at Campsbourne Primary School pursuant to contract standing order 9.01.2f (use of Framework Agreement) and 9.07.1.d. (contracts awarded by Cabinet)
- 1.2 Pursuant to Contract Standing Order (CSO) 9.07.3 to approve the issuance of a letter of intent.

2. Cabinet Member Introduction

- 2.1 As the new Cabinet Member for Early Years, Children and Families I am delighted to bring these four reports to Cabinet. These four community schools – Bruce Grove, Campsbourne, Seven Sisters and Stroud Green – are the first group of our Haringey primary schools to have these vital capital works. The works across the four schools include installing new heating and hot water systems, new windows and vital health and safety improvements to the buildings. The funding for these works is in the council’s capital programme and will ensure the physical environment for all the children and staff is greatly improved. Alongside the Council’s own capital funding, some £1.248m has been secured from the government towards these projects. This funding is for specific works which will reduce the carbon footprint of our schools, an additional and welcome contribution both financially and to tackling climate change.

The development of the schools’ asset plan which has led to these projects is a detailed and important document which will guide our schools’ capital works programme. Drawing this together has involved council officers, heads and governors and I would like to take this opportunity to thank them all for this work which is now commencing with these four projects.

3. Recommendations

Cabinet is recommended to:

- 3.1 Approve a contract award to Mulalley and Company Ltd of £896,261.
- 3.2 Approve a client construction contingency of 10% that equates to £89,626 which will be strictly managed under change control governance arrangements.
- 3.3 Approve the issuance of a letter of intent for up to 10% of the contract value.

4. Reasons for decision

- 4.1 A major review of the condition and suitability of the Children's Services estate has been undertaken, which has informed the Children's Service's asset management plan (CSAMP). This identified condition and suitability deficiencies in the primary, secondary, and wider Children's Service estate that need addressing in the short, medium, and long-term. Campsbourne Primary School is high priority for major works due to issues relating to health and safety or risk of school closure.
- 4.2 In 2018, an initial brief was given to undertake the most immediate (short term) health and safety, compliance, and resilience work. These findings included fire compartmentation, fire doors and heating resilience works and were subject to a separate award under delegated powers.
- 4.3 In 2019, a further commission was approved, to further investigate and address urgent works relating to the condition of building services (i.e., heating, electrics, and plumbing), external envelope (i.e., roofs, windows) and boundary security.
- 4.4 This condition project will bring a number of benefits to the school and the council, with the primary objective of providing improved educational environments for Children in line with Haringey's borough plan. Along with improving educational outcomes, this project will significantly reduce the risk of a health and safety incident or school closure through condition failure such as mechanical failure or roof leaks. The project will also help the school reduce its energy demands and thus reduce carbon emissions through technologies and insulation including double glazing. This work also benefits the Council in reducing the reactive maintenance requirements at the school in future by economically fixing the root cause of the condition issues within a single project whilst avoiding additional temporary repairs costs.
- 4.5 The scheme has been granted an allocation of funding £0.243M from the public sector decarbonisation programme, a government initiative sponsored by the Department for Business, Energy & Industrial Strategy and administered by Salix (Salix works). The grant will be used to part fund the scheme thus reducing the amount of borrowing that the Council will need to undertake. The terms of the grant are that the relevant works need to be completed by the 30th September 2021. If this date is missed, then there is a risk that the grant allocation will need to be repaid.
- 4.6 A works programme for Campsbourne Primary School has been developed into 2 phases in order to achieve the criteria for external Salix grant funding; minimise

disruption to the school by maximising access over the 2021 school summer holiday period; ensure resilience for heating and hot water and support a comprehensive phasing plan. This construction works award report requests a decision on the procurement of a contractor to undertake Phase 1 – Salix (improvements to roof and loft insulation) and Building Services Improvement Works. All remaining works considered under Phase 2 will be the result of a further decision in, which is anticipated to be presented for a decision in September 2021. The Phase 2 construction works are currently estimated to cost £2.25m.

5. Alternative Options Considered

- 5.1 Do nothing – a decision not to support this award for a construction works contract will result in the failure to suitably maintain the Education estate by not undertaking essential condition improvements. This would increase the likelihood of reactive works, which will create greater disruption and cost to the Council and potentially result in the loss of education days. All of which would undoubtedly impact on the quality of teaching and learning.
- 5.2 Delaying tendering of the works until the Phase 2 works have been fully designed so that all works could be tendered in one package would add additional time to the programme. Not being able to award contracts and place orders at the earliest opportunity would severely increase the risk of not achieving the criteria for the completion of the ‘Salix’ works, and not allow us the opportunity to maximise the school summer holiday period, which would be required to successfully complete the building services improvement works in the most economical manner and with the least amount of disruption to the school.

6. Background Information

- 6.1 London Borough of Haringey are seeking to identify and address building condition and suitability issues across the Education/schools estate.
- 6.2 Initial condition and suitability surveys have been undertaken, followed by comprehensive feasibility studies, which have evolved an extensive Children’s Capital Programme that seeks to support essential condition improvements across the education estate.
- 6.3 From this data, Campsbourne Primary School was considered high priority and as a result was placed in Wave 1 of the programme and is one of eight primary school’s sites in this initial wave of essential condition work.
- 6.4 As set out in section 4, the work at Campsbourne Primary School is divided into 2 phases – Phase 1 Building Services Improvement Works – Phase 2 – all remaining building services, external envelope and boundary works, estimated at £2.25m. This decision is requested for Phase 1.

- 6.5 The procurement of the Phase 1 works has been undertaken on a traditional basis using Bills of Quantities. It is programmed that the Phase 1 works will complete before the commencement of the Phase 2 works to minimise any co-ordination and logistical issues for the school.
- 6.6 The works were tendered by Strategic Procurement using the London Construction Programme (LCP) Framework Lot 2.1b North. nine contractors were invited, with four tenders received on the 7th May 2021. All tenders have been evaluated on a 40% quality and 60% cost split by an independent evaluation panel. The results of this assessment are below:

Tenderer	Price	Price Score (60%)	Moderated Quality Score (40%)	Combined Cost and Quality Score %
Mulalley and Company Ltd	£896,261.00	60	31.20	91.20
Bidder B	£1,260,733.46	42.7	28.80	71.5
Bidder C	£1,354,208.14	39.7	28.00	67.7
Bidder D	£2,042,296.00	26.3	25.20	51.9

- 6.7 The assessment concludes with a recommendation to award a construction contract to Mulalley and Company Ltd up to the value of £985,887.00. (Tendered price plus 10% contingency)
- 6.8 The total projected cost of the scheme is set out in the table below and compared to the budget inclusive of contingency.

	Budget	Total projected cost
Phase 1 Construction	£1,283,100	£896,261
Phase 1 Other	£396,900	£311,739
Total	£1,680,000	£1,208,000

7 Contribution to Strategic Outcomes

- 7.1 This project proposal supports outcomes as outlined in the Borough Plan 2019-23, in particular:

All projects commissioned by Officers of the Council are expected to align with this plan and will be reflected in key capital project documentation such as project briefs, design briefs, business cases, project initiation documents (PID) and award reports. The relevant Borough Outcome for this project is: **People** - our vision is a Haringey where

strong families, strong networks and strong communities nurture all residents to live well and achieve their potential.

7.2 Campsbourne Primary School falls into wave 1 (priority 1) of the Children's Service's asset management plan (CSAMP) and is therefore procured in accordance with the priorities set out in the Children's Capital Programme.

8. Statutory Officers comments (Chief Finance Officer, Procurement, Corporate Governance, Equalities).

8.1 Finance

8.1.1 The recommendation of this report is to award a contract to Mulalley and Company Ltd up to £0.896m for the phase 1 works. In addition to this contract sum, there will be other costs in delivering the scheme. These are PM fees, design fees, QS fees and sundry other costs resulting in a projected cost of £1.208m for the scheme which can be contained within the overall Children's Service approved 2021/22 capital programme.

8.1.2 The scheme has been granted an allocation of funding £0.243M from the public sector decarbonisation programme, a government initiative sponsored by the Department for Business, Energy & Industrial Strategy and administered by Salix. The terms of the grant are that the relevant works need to be completed by the 30th September 2021. If this date is missed, then there is a risk that the grant allocation will need to be repaid. However, the project was programmed to start before the Council knew of the Salix grant and had already put in place sufficient funding for the scheme, so the project is not dependent on Salix funding. Should the Salix deadlines be met then the Council will reduce the amount of borrowing in relation to this scheme.

8.1.3 The outturn for the project, Phase 1 & 2, is set out in the table below:

	Prior years expenditure	2021/22	2022/23	Total
Projected Total	£0.140m	£1.06m	£0.008m	£1.208m

8.2 Procurement

8.2.1 Strategic Procurement (SP) note that this report relates to the approval of awards for Campsbourne Building Services and Envelope Improvement Works Phase 1 (Construction Contract Award) to Mulalley and Company Ltd

8.2.1 SP support the recommendations in this report in accordance with Contract Standing Orders clause 7.0.1. (b) 10.01.01 (a), and 16.02.

8.2.2 Pursuant to CSO 7.01(b) and Regulation 33 of the Public Contracts Regulations 2015, SP confirms that tenderers were invited to Tender through the LCP Major Works 2019 Framework under Lot 2.1b, Education and leisure.

- 8.2.3 Compliant tenders were received from four contractors with further clarifications needed to achieve the final price.
- 8.2.4 SP note that tender returns were evaluated independently by the Quality Panel prior to release of the Price element of the Tender. Mulalley and Company Ltd scored the highest in quality and in price, scoring 91.20% overall.
- 8.2.5 SP notes that as per section 8.1.1 of this report, funding is available for this Contract.
- 8.2.6 SP support the recommendations within this report and have no objections with awarding this Contract to Mulalley and Company Ltd for value outlined in Section 1.1 of Part B of this report.

8.3 Legal

- 8.3.1 The Head of Legal and Governance (Monitoring Officer) has been consulted in the preparation of this report.
- 8.3.2 The works have been tendered under the LCP Framework Agreement. Framework Agreements are an approved method of tendering under the Public Contracts Regulations 2015 (see Regulation 33). They are also approved under the Council's Contract Standing Orders (see CSO 9.01.2 (f)).
- 8.3.3 The Cabinet has power under CSO 9.07.1 (d) to approve the award of contract.
- 8.3.4 The Cabinet also has power under CSO 9.07.3 to approve the issue of a letter of intent.
- 8.3.5 The award of this contract is a Key Decision and therefore compliance with the Council's governance processes in respect of Key Decisions including publication in the Forward Plan is required (see CSO 9.07.1 (e)).
- 8.3.6 The Head of Legal and Governance (Monitoring Officer) confirms that there are no legal reasons preventing Members from approving the award of this contract.

8.4 Equality

- 8.4.1 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
 - Advance equality of opportunity between people who share those protected characteristics and people who do not
 - Foster good relations between people who share those characteristics and people who do not.

The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex, and sexual orientation. Marriage and civil partnership status apply to the first part of the duty.

The proposed decision is to request approval to award a contract to Mulalley and Company Ltd up to the value stated in Section 1.1. of Part B of this report. It was identified that the condition and suitability deficiencies at Campsbourne Primary School are a high priority for major works due to issues relating to health and safety or school closure risks. It is expected that this decision will lead to improved health and safety of all students and members of staff. No negative consequences are identified for those who share a protected characteristic, and it is concluded that the works will have a wholly positive impact by improving the health and safety of Campsbourne Primary School.

As an organisation carrying out a public function on behalf of a public body Mulalley and Company Ltd will be obliged to have due regard for the need to achieve the three aims of the Public Sector Equality Duty as stated above. Appropriate contract management arrangements will be established to ensure that the delivery of the major works does not result in any preventable or disproportionate inequality.

9 Use of Appendices

9.1 Appendix A – Part B exempt

10 Local Government (Access to Information) Act 1995

10.1 List of background documents:

This report contains exempt and non-exempt information. Exempt information is under the following categories (identified in amended Schedule 12A of the Local Government Act 1972): Information relating to financial or business affairs of any particular person (including the statutory holding that information).