

Report for Cabinet for 15th June 2021

Title: Bruce Grove Primary School – External Envelope and Building Services Improvement – Award of Construction Contract

Report authorised by: Director for Children’s Services, Ann Graham

Lead Officer: Chris Hill, Major Projects Project Manager
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Ward affected: Bruce Grove

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 & Co Ltd up to the value of £2,763,207 to undertake repair and capital works at Bruce Grove Primary School pursuant to contract standing order 7.01.b and 9.07.1.d.
- 1.2 Pursuant to Contract Standing Order (CSO) 9.07.3 to approve the issuance of a letter of intent.

2. Cabinet Member Introduction

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 an award of contract to Mulalley & Co of £2,512,007.
- 3.2 Approve a client construction contingency of 10% that equates to £251,200 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, totalling £251,200.

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 need addressing in the short, medium, and long-term.
- 4.2 Bruce Grove Primary School is high priority for major works due to issues relating to health and safety or the school is at risk of school closure.
- 4.2 In 2019 a commission was given 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.
- 4.3 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.
- 4.4 A scheme for Bruce Grove Primary School has been developed, with sectional completion dates in order to achieve the following:
 - Salix Public Sector Decarbonisation grant funding works (Window replacement, LED Lighting, Loft Insulation, BMS).
 - Boiler and heating works completion prior to the heating season starting in October
 - Decant classroom spaces completed prior to the start of the September term.
 - Remaining Works (Roof replacement, brick repointing, small power and data, sanitaryware etc)
- 4.5 This construction award report requests a decision on the procurement of a contractor to undertake all of the external envelope and building services infrastructure works identified, designed and approved by the project sponsor.

- 4.6 A Cabinet decision is required in June 2021 to enable timely mobilisation and facilitate procurement of longer lead in materials as soon as possible which will offer greater likelihood of achieving maximum grant funding available.

5. Alternative Options Considered

- 5.1 Do nothing – a decision not to support this award of construction contract will result in the Council's failure to suitably maintain its education estate by 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.

6. Background Information

- 6.1 London Borough of Haringey (Haringey) are seeking to identify and address building condition and suitability issues across the Education/schools estate.
- 6.2 Initial condition and suitability surveys followed by comprehensive feasibility studies have evolved an extensive Children's Capital Programme which seeks to support essential condition improvements across the education estate.
- 6.3 From this data, Bruce Grove Primary School was considered high priority and as a result was placed in wave 1 of the programme and is 1 of 8 primary school's sites in this initial wave of essential condition work.
- 6.4 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 plant breakdown or roof leaks. The project will also help the school reduce its energy demands and relieve some budgetary pressure.
- 6.5 Alongside this it will support the Borough's carbon reduction and climate change ambition by delivering approx. 20.99 tCO₂pa carbon reduction through the installation of energy efficient measures such as double glazing and roof insulation. 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.
- 6.6 The works have been designed to Stage 4 of the Royal Institute of British Architects (RIBA) Plan of Work 2013.
- 6.7 As part of the RIBA stage 2-4 design the following surveys and investigations have been completed:

- Below ground drainage survey
- Flat roof investigations
- Investigation to roof voids
- Temporary accommodation survey
- Asbestos R&D survey
- Window and external door surveys
- Additional asbestos sampling
- PAS:128 Utilities Survey
- Topographical Survey
- Statutory Authority Record Drawings

6.8 Whilst a range of surveys have been carried out in the preparation of the tender documents for this refurbishment scheme, they will never provide absolute certainty as to the condition of the building. Therefore, a contingency has been allowed for in the budget and its use will be carefully monitored and reported upon during the projects progress.

6.9 Following completion of a full RIBA 4 design, the proposal to replace the existing nursery with a new building was issued to the construction market via the HPCS, under the London Construction Programme (LCP) Framework. Under Lot 2.1b (Education and Leisure – North London - £1m-£5m) 9 contractors were invited, with 4 tenders received on the 07/05/21. 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	Comment
Mulalley & Co Ltd	£2,512,007.00	60.00%	35.20%	95.20%	
Bidder B	£2,789,189.41	54.04%	26.40%	80.44%	
Bidder C	£3,146,589.97	47.90%	31.20%	79.10%	
Bidder D	£3,349,057.79	45.00%	33.60%	78.60%	

6.10 The assessment concludes with a recommendation to award a construction contract to Mulalley & Co Ltd of £2,512,007.00 (excluding construction contingency).

6.11 The construction costs given reflect the design in response of the adaptations for service delivery and condition issues as it's an existing building there is always a risk the assumptions made may be incorrect as we do not have full historic information of the existing building.

6.12 All works have been specified and measured by independent design and cost consultants to ensure best value for the Council against pre-determined market rates.

- 6.13 The approved projects budget is £5,300,000.
- 6.14 The quantity surveyor for this project is satisfied with the pricing offered by Mulalley & Co Ltd against the Pre Tender Estimate of £4,018,959.28.
- 6.15 Reasons for low tender returns in comparison to Pre-Tender Estimate:
See Part B
- 6.16 The total projected cost of the scheme is set out in the table below and compared to the budget.

	Budget	Total projected cost
Construction	£3.95m	£2.512m
Other	£1.350	£1.480m
Total	£5.30m	£3.992m

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 Bruce Grove 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 Co Ltd in the sum of £2.512m for the works. Client construction contingency is also recommended with a value of £0.251m. In addition to this contract sum, there will be other costs in delivering the scheme. These are PM fees, design fees, QS fees, contingencies, statutory costs and sundry other costs of £1.48m. The estimated total cost of the

scheme is £3.992m which can be contained within the overall Children’s Service approved 2021/22 capital programme.

8.1.2 The approved project budget is £5.3m, and the contract award is covered within the project budget.

8.1.3 The spend profile for the project is set out in the table below:

	Prior years expenditure	2021/22	2022/23	2023/24	Total
Projected Total	£0.393m	£2.77m	£0.77m	£0.06m	£3.992m

8.1.4 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.

8.2 Procurement

8.2.1 Strategic Procurement (SP) note that this report relates to the approval of awards for Bruce Grove Primary School – External Envelope and Building Services Improvement - Construction Contract to undertake a number of improvements to the building fabric and the Building Services Infrastructure.

8.2.1 SP support the recommendations in this report in accordance with Contract Standing Orders clause 7.0.1. (b) and 9.07.3

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 4 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 & Co Ltd scored the highest in quality and in price, scoring 95.20% overall.

8.2.5 SP notes that as per section 6 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 & Co Ltd for £2,512,007

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 Council has followed a competitive procurement using the London Construction Programme (LCP) Major Works Framework Agreement. The LCP Major Works Framework Agreement was set up by the Council in accordance with European procurement legislation and its use is also permitted by Contract Standing Order 7.
- 8.3.3. The decision to award this contract will be a Key Decision as it involves expenditure of more than £500,000. The award must therefore comply with the Council's governance processes in respect of Key Decisions including publication of the contract in the Forward Plan (see CSO 3.01 (d)).
- 8.3.4. The Cabinet has power to approve the recommendations under CSO 9.07.1(d) (contracts valued at £500,000 or more).
- 8.3.5. The Cabinet also has power to approve the issue of a letter of intent up to 10% of the contract value.
- 8.3.6 The Head of Legal and Governance (Monitoring Officer) sees no legal reasons preventing Cabinet from approving the recommendations in the report.

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 applies to the first part of the duty.

The proposed decision is to request approval to award a contract to Mulalley & Co Ltd up to the value of £2,763,207 to undertake works to the building infrastructure and building fabric. It was identified that the condition and suitability deficiencies at Bruce

Grove Primary School are a high priority for major works due to issues relating to health and safety or school closure risks.

As an organisation carrying out a public function on behalf of a public body, Mulalley & Co 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.

8.1.1 An Equalities Impact Assessment has been completed for Bruce Grove Primary School, included as Appendix A to this report, and uploaded on to the Haringey Council website. The EqIA raises no equalities concerns, with the proposed works being conducted in phases, to ensure there is minimal interruption to service provision. The expected impact on protected characteristic groups is either neutral or positive. The following measures have ensured that the works comply with the Council's equalities duties:

- No reduction in service provision, either during the works or once they are completed.
- Services will be improved through better buildings and IT, making services more accessible and effective;
- Improved access arrangements
- New heating will also be installed, making the environment more comfortable for all;

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).