

## **Report for Cabinet Member Signing, Scheduled for 2<sup>nd</sup> July 2021**

**Title:** West Green Primary School - Building Services Improvement and External Envelope Works – Award of Construction Contract



**Report authorised by:** Ann Graham, Director of Children's Services

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**Ward affected:** St Ann's

**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 Limited up to the value of £2,270,002.90 to undertake building services improvement and external envelope condition works at West Green Primary School pursuant to contract standing order 16.02.
- 1.2 Pursuant to Contract Standing Order (CSO) 16.02 to approve the issuance of a letter of intent.

### **2. Draft Cabinet Member Introduction**

- 2.1 As this report is being presented to Cabinet Member Children, Education and Families for a decision, Cabinet Member introduction is not required.

### **3. Recommendations**

For Cabinet Member for Children, Education and Families pursuant to Contract Standing Order 16.02 to:

- 3.1 Approve an award to Mulalley and Company Limited of £2,063,639;
- 3.2 Approve a client construction contingency of 10% that equates to £206,363.90, 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 £206,363.90.

### **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. West Green Primary School is high priority for major works due to issues relating to health and safety or school closure risks.

- 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 and were subject to a separate award under delegated powers.
- 4.3 In 2019 a further commission was given to further investigate and address urgent works relating to the condition of building services (ie heating, electrics and plumbing), external envelope (ie roofs, windows) and boundary security.
- 4.4 The scheme at West Green Primary School has been granted an allocation of funding (£325,000) 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 30<sup>th</sup> September 2021. If this date is missed, then there is a risk that the grant allocation will need to be repaid.
- 4.5 The works at West Green Primary School has been developed into 2 phases in order to minimise disruption to the school (referenced in 5.2) and achieve the criteria for Salix Public Sector Decarbonisation grant funding. This construction award report requests a decision on the procurement of a contractor to undertake Phase 2 – building services improvement and external envelope condition works. Phase 1, which consists of the demolition of a redundant/end of life modular unit, has been tendered and awarded under delegated approval at c£17,400, as it is intended to complete Phase 1 during mid-July before the main works commence. This decision is for Phase 2 only. The scheme of works developed is to achieve the following:
- Salix Public Sector Decarbonisation grant funding works (Window replacement, LED Lighting, insertion of loft Insulation, installation of insulated panels, install new building management system);
  - Install new heating system including distribution pipework, radiators and heating controls throughout the school, prior to the heating season starting in October;
  - Replace domestic water system throughout the building including new tanks, booster pump sets and water heaters;
  - Completion of kitchen services upgrade by the end of September;
  - Overhaul of pitched roofs replacing slipped and missing tiles
  - Structural repair to timber beams;
  - Re-covering flat roof with liquid waterproofing solution;
  - Replacement of 3no. External fire escape doors;
  - Repairs to external masonry – brickwork and re-pointing; and
  - Re-build of partially demolished boundary wall on Terront Road.
- 4.6 A Cabinet Member decision has been requested in July 2021 to enable early mobilisation of the contractor prior to the school summer holiday, which will allow site establishment, ordering of a new boiler and other long lead-in materials required to be completed in September to de-risk completion prior to the heating season. This will allow maximum access to the school during the summer holidays to ensure full installation of a working platform/crash deck in the school hall, and a temporary roof, which are required to support installation of new heating services, roof strengthening and replacement of hall roof lights/windows safely before pupils and staff return. If we do not have sufficient time to complete the safety crash deck in the school hall during the summer holidays it will impact on the sequencing of work and be more disruptive to the school. Inability to complete these works will put the school at risk of closure and unable to open from

the start of the Autumn Term. The school has already experienced an extremely challenging year due to the Covid pandemic and other urgently required health and safety compliance works.

## **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.
- 5.2 Delaying a decision until July cabinet 2021 would add additional time to the programme. Not being able to award a contract and place orders at the earliest opportunity in July would severely increase the risk of not achieving the required volume of work over the summer holiday period (as outlined in 4.6 of this report) and put the school at risk of closure. Minimising disruption to learning and the safety and wellbeing of both pupils and staff is of paramount importance. Although this is an intrusive programme of works, a comprehensive sequencing programme has been prepared in full consultation and support of the school, which seeks to maximise all school holiday periods to minimise disruption. The criteria for the completion of carbon grant funded works would also be impacted on.

## **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, West Green 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 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. 20.44 tCO<sub>2</sub>pa 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. To enable these works, the Council successfully secured external funding from the government (through SALIX funding) to a value of £325,000.
- 6.6 As set out in section 4, the work at West Green Primary School is divided into 2 phases – Phase 1 - demolition of a redundant/end of life modular unit and Phase 2 - building services improvement and external envelope condition work. This decision is requested for Phase 2 only.

- 6.7 Procurement of a contractor has been undertaken on a traditional basis, with the works designed to Stage 4 of the Royal Institute of British Architects (RIBA) Plan. The form of contract will be JCT Standard Building Contract with Quantities 2016.
- 6.8 As part of the RIBA stage 2-4 design the following surveys and investigations were completed:
- Below ground drainage survey
  - Flat roof investigations
  - Investigation to roof voids
  - Temporary accommodation survey
  - Asbestos refurbishment and demolition survey and additional asbestos sampling
  - Lead paint survey
  - Window and external door surveys
  - PAS:128 Utilities Survey
  - Topographical Survey
  - Review of statutory authority record drawings.
- 6.9 A Building Control application has been submitted. A planning application is not required for Phase 2.
- 6.10 Following completion of the developed design, the proposal was issued to the construction market via London Construction Programme Major Works Framework (LCP 2019) Lot 2.1b North Education and Leisure. Three tenders were received on the 24 May 2021. All tenders have been evaluated on a 60% cost and 40% quality by an independent evaluation panel. Arithmetical adjustments have been applied to the tenders during the clarification process with the results of this assessment shown below:

Tenderer	Price	Price Score (60%)	Moderated Quality Score (40%)	Combined Cost and Quality Score (100%)	Final Ranking
Mulalley and Company Ltd	£2,063,639.00	60.00	34.40	94.40	1

- 6.11 The assessment concludes with a recommendation to award a construction contract to Mulalley and Company Limited up to the value of £2,270,002.90 (tender value £2,063,639 plus construction risk of £206,363.90).
- 6.12 The quantity surveyor for this project is satisfied with the pricing offered by Mulalley & Co Limited against the Pre-Tender Estimate (PTE). A detailed analysis of the tender returns against the PTE is provided within the Tender Report.
- 6.13 The total projected cost of the scheme is set out in the table below and compared to the budget.

Description	Total projected cost
Construction	£2,063,639.00

Other*	£1,495,781.75
Total	£3,559,420.75

\* includes a small contribution for the Phase 1 demolition works, as described in 4.5.

- 6.14 The school's Headteacher and Chair and Governor representative were involved in the design process, part of the evaluation panel and support the project. They are keen for the project to progress over the summer to help minimise further disruption to the school year.

## 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 West Green 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 Limited of £2.064m for the phase 2 works. A client construction contingency of £0.206m is held. 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 £3.559m 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 £0.325m 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 30<sup>th</sup> 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 Forecast annual expenditure:

	Previous years 2018/2021	2021/2022	2022/2023	2023/2024	Total

	£m	£m	£m	£m	£m
Expenditure	0.337	2.528	0.628	0.067	£3.56

## 8.2 Procurement

- 8.2.1 Strategic Procurement (SP) note that this report relates to the approval of awards for West Green Primary School Building Services and External Envelope Improvement Works Phase 2 (Construction Contract Award) to Mulalley and Company Limited
- 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 three 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 Limited scored the highest in quality and in price, scoring 94.4% 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 Limited 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 has been consulted in the preparation of the report.
- 8.3.2 Pursuant to Contract Standing Order 16.02 the Cabinet Member with the relevant portfolio responsibilities has authority to approve the recommendations in the report.
- 8.3.3 The Head of Legal and Governance sees no legal reasons preventing the Cabinet Member for Children, Education and Families 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 protected characteristics and people who do not; and
  - Foster good relations between people who share those characteristics and people who do not.
- 8.4.2 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.



- 8.4.3 The proposed decision is to approve the award of a contract to Mulalley and Company Limited up to the value stated in Section 1.1. of this report. It was identified that the condition and suitability deficiencies at West Green Primary School are a high priority for major works due to issues relating to health and safety, accessibility or school closure risks.
- 8.4.4 The decision will deliver key benefits of improved educational outcomes, reduced health and safety risks for attendees and staff at the school, and better energy efficiency for the school. It is expected that this decision will lead to improved health and safety and accessibility for all pupils and members of staff. A large majority of pupils are from a range of minority ethnic backgrounds and speak English as an additional language, with the proportion of pupils known to be eligible for support through the pupil premium well above that found nationally. In addition, an above-average proportion of pupils have special educational needs support. The proportion of pupils with a statement of special educational needs or an education, health and care plan is also well above that found nationally. The proposed decision is expected to support improved educational outcomes for all students, including those from minority ethnic backgrounds, with special education needs and who receive support through the pupil premium, who are more likely to face barriers to education. 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 West Green Primary School, including attendees and staff with protected characteristics under the Equality Act 2010. The proposed decision will therefore support equality of opportunity across all students.
- 8.4.5 As an organisation carrying out a public function on behalf of a public body, Mulalley and Company Limited 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

## **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 authority holding that information).