

Report for: Cabinet Member Signing

Title: Lordship Lane Primary School - New Nursery Building – Award of Construction Contract

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

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Ward affected: Woodside

**Report for Key/
Non-Key Decision:** Key Decision

1. Describe the issue under consideration

- 1.1 To request approval for an award of contract to provide a new nursery building at Lordship Lane Primary School, as Phase 2 of the school’s improvement works, 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. 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 Contractor A of up to £1,257,727.47, subject to planning decision. The planning process is independent to the award process and managed separately by Development Control.
- 3.2 Approve a client construction contingency of 10% that equates to £114,338.86 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 £114,338.86

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. Lordship Lane 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 (i.e. heating, electrics and plumbing), external envelope (i.e. roofs, windows) and boundary security.
- 4.4 This scheme at Lordship Lane Primary School has been granted an allocation of funding (£539,000 - combined with the building services improvement and external envelope works contract currently being delivered on site as Phase 1) 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 were that the relevant works initially needed to be completed by the 30th September 2021. However, an extension to this Salix works deadline has been formally requested to 31 March 2022, in line with Salix guidance. If this later date is missed, then there is a risk that the grant allocation will need to be repaid.
- 4.5 The works at Lordship Lane Primary School have 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 – new nursery building. Phase 1, which consists of the building services improvement and external envelope condition works was the subject of an earlier tender exercise and decision. This decision is for Phase 2 only. The scheme of works developed is to develop a new nursery block, using Salix Public Sector Decarbonisation grant funding to deliver the following:
- 2 flexible playroom/classrooms areas, with WCs off the class spaces
 - Group room space
 - Suitable storage space, fitted furniture and ICT
 - Staffroom and kitchenette
 - Installation of new canopy and external classroom spaces
 - External works to include creating a fencing secure line, enhancement of the planting (green boarder) and provision of external storage.

4.6 A Cabinet Member signing has been requested in November 2021 to enable the mobilisation of the contractor after the planning outcome late November, which will allow technical design to be completed before Christmas, with ground works, delivery (based on a modular construction) and installation of the nursery by the Easter holidays.

5. Alternative Options Considered

5.1 Do nothing – a decision not to support this award of construction contract will result in the Councils 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 further would add additional time to the programme. Not being able to award a contract and place orders at the earliest opportunity in November would increase the risk of not achieving the required volume of work before Easter (as outlined in 4.6 of this report) and may impact the Building School Improvement and External Envelope sequencing of works already on site. Minimising disruption to learning and the safety and wellbeing of both pupils and staff is of paramount importance. Although these are intrusive works, the area of the development will be clearly segregated from the staff and pupils.

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, Lordship Lane 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 As set out in section 4, the work at Lordship Lane Primary School is divided into 2 phases – Phase 1, building services improvements, external envelope and boundary condition works, and Phase 2, the new nursery. This decision report is concerned with Phase 2 works only.

6.5 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 early 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 – both phases - will also help the school reduce its energy demands and relieve some budgetary pressure.

- 6.6 Alongside this it will support the Borough's carbon reduction and climate change ambition by delivering approx. 39.95 tCO₂pa carbon reduction (combined with the Phase 1 building services improvement and external envelope works currently on site) through the installation of energy efficient building fabric measures in the construction of the new nursery. 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 £539,000 (for both Phases 1 and 2).
- 6.7 Procurement of a contractor has been undertaken on a design and build basis, with the works designed to Stage 3+ of the Royal Institute of British Architects (RIBA) Plan. The form of contract will be JCT Design and Build Building Contract. As it's expected both phases will be working concurrently on site, strict co-ordination and compliance with construction design and management regulations is being adhered to with the Phase 1 contractor nominated as Principal Contractor.
- 6.8 As part of the RIBA stage 2-3+, several visual and intrusive surveys and investigations were completed.
- 6.9 A planning application has been submitted to Development Control, which targets a decision by mid-November 2021, prior to the issuance of the building contract to the recommended Contractor A. The tender makes provision for the discharge of any planning conditions.
- 6.10 A Building Control approval will also be required for the development of the new nursery, provision was made for its application and discharge of any conditions within the tender.
- 6.11 Following completion of the developed design, the proposal was issued to the construction market via the Minor Works (DPS) Dynamic Purchasing System (London Construction Programme) – under the Education, Principal Construction Category. Four tenders were received on 8 September 2021. Tenders have been evaluated on a 40% cost and 60% quality by an independent evaluation panel. Arithmetical adjustments have been applied to the tenders during the clarification process with the result of this assessment shown below:

Tenderer	Price	Price Score (40%)	Moderated Quality Score (60%)	Combined Cost and Quality Score	Final Ranking
Contractor A	£1,143,388.61	39.44	43.8	83.24	1

- 6.12 Contractors C and D did not meet the minimum pass threshold of 36% for quality. Therefore, their bids were discounted.

- 6.13 Details of the evaluation of four other tenderers' returns are set out in the Part B of this report. The assessment concludes with a recommendation to award a construction contract to Contractor A up to the value of £1,257,727.47 (tender value £1,143,388.61 plus construction risk of £114,338.86).
- 6.14 The quantity surveyor for this project is satisfied with the pricing offered by Contractor A against the Pre-Tender Estimate (PTE). A detailed analysis of the tender returns against the PTE is provided within the tender analysis report and summarised in Part B.
- 6.15 The total projected cost of the scheme is set out in the table below and compared to the budget.

Description	Total projected cost
Phase 2 Construction	£1,143,388
Other	£549,676
Total	£1,693,064

- 6.16 The school's Deputy Headteacher and Early Years Foundation Stage Lead were involved in the design process, invited to be part of the evaluation panel and support the project. They are keen for the project to progress over autumn term 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 Lordship Lane 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, and Equalities).

8.1 Finance

- 8.1.1 The recommendation of this report is to award a contract to Contractor A for £1.143 for the Phase 2 works and hold a client construction contingency of £0.114m, offering and award value of up to £1.257m.
- 8.1.2 In addition to this contract sum and based on the tendered value, there will be other costs in delivering the scheme. These are PM fees, design fees, QS fees, statutory costs, contingencies and sundry other costs of £0.550m, resulting in a projected cost of £1.693m for the scheme, which can be contained within the overall Children’s Service approved 2021/22 capital programme.
- 8.1.3 The schemes at Lordship Lane have been granted an allocation of funding £0.539m (for Phases 1 and 2 works) 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 were that the relevant works needed to be completed by the 30th September 2021, however, an extension to the Salix works deadline to 31 March 2022 has been requested in line with Salix guidance. 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.

8.1.4 Forecast annual expenditure:

	2021/2022	2022/2023	2022/2023	Total
	£m	£m	£m	£m
Expenditure	1.159	0.473	0.061	1.693

8.2 Procurement

- 8.2.1 Strategic Procurement (SP) note that this report relates to the approval of award for Lordship Lane Primary School New Nursery Building Contract Phase 2 (Construction Contract Award) to Contractor A.
- 8.2.2 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.
- 8.2.3 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 Minor Works (DPS) Dynamic Purchasing System (London Construction Programme) – under the Education, Principal Construction Category.
- 8.2.4 Compliant tenders were received from four contractors with further clarifications needed to achieve the final price.
- 8.2.5 SP note that tender returns were evaluated independently by the Quality Panel prior to release of the Price element of the Tender. Contractor A scored the highest in quality and in price, scoring 83.24% overall.

8.2.6 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 Contractor A 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 the report.

8.3.2 The contract referred to in the recommendations in the report has been procured through the Council's Minor Works Dynamic Purchasing System. This complies with procurement legislation and the Council's Contract Standing Orders.

8.3.3 In accordance with Contract Standing Order 16.02 the Cabinet Member for Children, Education and Families has authority to approve the award of the contract referred to in the report.

8.3.4 The Cabinet Member for Children, Education and Families also has authority to approve the issue of a letter of intent for the value set out in the recommendations.

8.3.5 The Head of Legal and Governance (Monitoring Officer) 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 those protected characteristics and people who do not
- 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 apply to the first part of the duty.

8.4.3 The decision to replace the existing old nursery building with a new nursery building 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 Early Years students and members of staff. A number of pupils are

from disadvantaged backgrounds, eligible for free school meals and children looked after (in the care of the local authority for a day or more or who have been adopted from care), a range of minority ethnic backgrounds and speak English as an additional language. Evidence shows that, overall, performance of disadvantaged pupils is lower than that of other pupils both at the school and nationally. The proposed decision is expected to support improved educational outcomes for all Early Years 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 Lordship Lane 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.

- 8.4.4 As an organisation carrying out a public function on behalf of a public body, Contractor A 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).