

Report for: Cabinet Member Signing

Title: Pendarren House Outdoor Education Centre - Phase 2 Annex Works – Construction Contract Award

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

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Ward affected: All

**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 carry out refurbishment works to the Annex Building at Pendarren House Outdoor Education Centre and to approve 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 to:

3.1 Approve an award of contract to Contractor A of £777,872.19 ((subject to planning approval (see section 6.5 below)).

3.2 Approve a client construction contingency of 10% that equates to £77,787.22 which will be strictly managed under change control governance arrangements.

3.3 The above offers a total award value of up to £855,659.41.

3.4 In accordance with Contract Standing Order 9.07.3 to approve the issuance of a letter of intent for £100,000.

4. Reasons for decision

4.1 Works to Pendarren were split into two phases, following the identification of health and safety issues, which led to the closure of the Activity Centre in September 2019. During these phase 1 works the opportunity was taken to review the accommodation on site to seek to increase the bed availability within the Annex Building to allow the Centre to be

used by two schools simultaneously, thereby increasing potential revenue. This will provide opportunities for Haringey School pupils to benefit from the positive experiences the centre provides. Phase 1 works to the Main House were completed in June 2021 and bookings are being taken with schools currently using the Centre.

4.2 This construction award report requests a decision on the procurement of Contractor A to undertake the following Phase 2 works to the Annexe Building:

- External window and door renewal
- Roof repairs
- New outbuildings
- Refurbishment of an existing outbuilding to accommodate a climbing wall
- New heating and ventilation system
- Reconfiguration internally including new partitions and doors
- New floor coverings
- Electrical installation
- Repairs to underground drainage

5. Alternative options considered

5.1 Do nothing option - 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 and fire safety works. This would prevent the Centre from being able to use the Annex Building and would limit revenue income.

6. Background Information

6.1 Pendarren House Outdoor Activity Centre was closed to visitors from the 21st of September 2019. This followed the issue of the 2019 Condition Report and analysis by Council Officers, which highlighted significant risk to occupants including fire safety and other compliance issues. It was determined that these issues could not be addressed by reactive remedial works and the centre was shut subject to a strategic review of condition and suitability.

6.2 This strategic review led to the recommendation to undertake works in two phases, being works to the Main House and the Annex. Phase One was completed in June 2021 and this has allowed the Centre to be re-opened with the first cohort of schools using the facility in September 2021. Phase Two (which is the subject of this report) consists of addressing the condition and fire precaution works as above and reordering the accommodation to allow the use of the Annex by a full school group (potentially increasing revenue). The reordering of the accommodation will also aid the logistics of running the centre by allowing equipment to be accessed more easily than current arrangements.

6.3 Phase 2 has been procured 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.

- 6.4 A strategic review of the Centre is being completed (known as Phase Three) which focusses on the future business arrangements of the Centre with the view to ensure viability into the future.
- 6.5 Planning Consent for the scheme is delayed due to a back-log of applications by the Brecon Beacon National Park Planning Authority who have asked for an extension of the decision to 18th November 2021. With this said, engagement has been held and it is considered likely that approval will be granted with limited conditions to be discharged during construction. The letter of intent will not be issued until planning determination has been received.
- 6.6 As part of the RIBA 2-4 design, several visual and intrusive investigative surveys were completed including the following: -
- Refurbishment / Demolition Asbestos
 - Drainage
 - Structural
 - Mechanical and Electrics
 - Fabric
 - Ecology
- 6.7 By agreement with Haringey Strategic Procurement, a competitive tender for Phase 2 was issued via the Welsh Procurement Alliance which are part of the London Housing Consortium. Four tenders were received on the 1st of September 2021. All tenders have been evaluated on a 40% quality and 60% price basis by an independent evaluation panel. Several clarifications were provided to all tenderers in the evaluation period which completed on the 15th of September 2021 with the outturn confirmed as:

| Supplier | Quality 40% | Position | Price 60% | Ranking | Overall 100% | Final Ranking |
|--------------|-------------|----------|-----------|---------|--------------|---------------|
| Contractor A | 27.60 | 3 | 60.00 | 1 | 87.60 | 1 |

- 6.8 Details of the evaluation of the four tender 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 £855,659.41 (tender value £ 777,872.19 plus construction risk of £77,787.22).
- 6.9 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.

- 6.10 The total projected cost for Phase 2 works is set out below:

| Item | Total projected cost |
|--------------|----------------------|
| Construction | £0.778m |
| Other | £0.346m |
| Total | £1.123m |

7. Contribution to Strategic Outcomes

- 7.1 This project proposal supports outcomes as outlined in the Borough Plan 2019-23. 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 These works include environmental improvements consisting of a new heating system, double glazing and insulation to floors and walls which will have a positive impact on the Centre's climate credentials.

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

8.1 Finance

- 8.1.1 The recommendation of this report is to award a contract to Contractor A in the sum of £0.778m for the works and a construction contingency of £0.078m resulting in an award value up to £0.856m.
- 8.1.2 In addition to this contract sum and based on the tender value, there will be other costs in delivering the scheme. These are PM fees, design fees, QS fees, contingencies, statutory costs, which together total £0.346m. The estimated total cost of the scheme is £1.123m. The estimated cost of the phase 2 works can be contained within the overall Children's Service approved 2021/22 capital programme.

- 8.1.3 The estimated outturn for the Phase 2 only is set out in the table below:

| | Prior years expenditure | 2021/22 | 2022/23 | 2023/24 | Total |
|------------------------|-------------------------|---------|---------|---------|---------|
| Projected Total | £0.117m | £0.520m | £0.466m | £0.020m | £1.123m |

8.2 Procurement

- 8.2.1 Strategic Procurement endorse the awarding of the contract to the winning bidder.
- 8.2.2 The competitive procurement was compliantly run via the Welsh procurement alliance a permissible framework. The procurement was conducted in line with the authorities Contract Standing Orders and the Public Contract Regulations.

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 are below the threshold (currently £4,733,252.00 for works contracts) where a European tender is required under the Public Contracts Regulations 2015. The Council therefore followed a domestic tender procedure via the Welsh Procurement Alliance. This is compliant with CSO 9.01.1 (works contracts valued at £500,000 or more must be let following publication of a tender advertisement).
- 8.3.3 The Cabinet has power under CSO 9.07.1 (d) (contracts valued at £500,000 or more to approve the recommendations).
- 8.3.4 The Cabinet also has power to approve the issuance of a letter of intent.
- 8.3.5 The Head of Legal and Governance (Monitoring Officer) confirms that there are no legal reasons preventing Members from approving the recommendations in this report.

8.4 Equality

- 8.4.1 The Equality Act (2010) legally protects people from discrimination in the workplace and in wider society. The Act replaced previous anti-discrimination laws and introduced the term 'protected characteristics' to refer to the following nine groups that are protected under the Act:
- Age
 - Disability
 - Gender Reassignment
 - Marriage and Civil Partnership
 - Pregnancy and Maternity
 - Race
 - Religion or Belief
 - Sex
 - Sexual Orientation

8.4.2 Under this Act Haringey Council has a Public Sector Equality Duty 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

8.4.3 The decision is to approve an award of contract to carry out refurbishment works to the Annex Building at Pendarren House Outdoor Education Centre and to approve issuance of Letter of Intent.

8.4.4 No negative equalities implications that may arise as a result of this decision have been identified.

9 Use of Appendices

9.1 Appendix 1 – 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 statutory holding that information).