

Report for: Cabinet Member Signing – 16 February 2022

Title: Highgate Primary School Phase 2 – External Envelope and Building Services Improvement – Award of Construction Contract

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

Lead Officer: Chris Hill, Major Projects Project Manager, Chris.Hill@haringey.gov.uk

Ward(s) affected: Highgate

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

1. Describe the issue under consideration

- 1.1 To request approval to award a contract to Kind Diamond Build Consortium Ltd up to the value of £2,239,272 to undertake external envelope and building services improvement works at Highgate 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. Cabinet Member Introduction

- 2.1 Not applicable.

3. Recommendations

For Cabinet Member for Early Years, Children, and Families is asked:

- 3.1 Pursuant to Contract Standing Order 16.02, to approve an award of contract to Kind Diamond Build Consortium Ltd to the value of £2,239,272.
- 3.2 To approve a client construction contingency as detailed in the exempt appendix to this report which will be strictly managed under change control governance arrangements.
- 3.3 To approve the issuance of a letter of intent for up to 10% of the contract value, totalling £223,927.20.

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 Highgate 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 A scheme for Highgate Primary School has been developed to achieve the following:
- Salix Public Sector Decarbonisation grant funding works (Loft Insulation).
 - Boiler and heating works completion prior to the heating season starting in October.
 - Roof replacement, brick repointing, below and above ground drainage.
 - Small package of electrical works.
- 4.4 This construction award report requests a decision on the procurement of a contractor to undertake all the external envelope and building services infrastructure works identified, designed and approved by the project sponsor.
- 4.5 A Cabinet Member decision is required in February 2022 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, Highgate 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 several 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 The works have been designed to Stage 4 of the Royal Institute of British Architects (RIBA) Plan of Work 2020.

6.6 As part of the RIBA stage 2-4 design the following surveys and investigations have been completed:

- Drone Survey
- Acoustic Survey
- CCTV Survey
- Roof Survey
- Investigation to roof voids
- Thermographic Survey
- Asbestos R&D survey
- Window and external door surveys

6.7 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.

6.8 Following completion of a full RIBA 4 design, the tender 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 3 tenders received on the 12/12/21. 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	Final Ranking
Contractor A	£2,239,272	60%	26.4%	86.4%	1
Contractor B	£2,678,295	50.2%	27.2%	77.4%	2
Contractor C	£3,237,070.96	34.7%	29.6%	64.3%	3

6.9 The assessment concludes with a recommendation to award a construction contract to Kind Diamond Build Consortium Ltd up to the value of £2,239,272 (excluding construction contingency).

6.10 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 assumption made may be incorrect as we do not have full historic information of the existing building.

- 6.11 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.
- 6.12 The total projected cost of the scheme is set out in the table below and compared to the budget.

	Total projected cost
Construction	£2,239,272
Other	£727,000
Total	£2,966,272

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 Highgate 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 Kind Diamond Build Consortium Ltd in the sum of £2,239,272 for the works. 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 £0.727m. The estimated total cost of the scheme is £2.966m (**rounded down**) which can be contained within the overall Children's Service approved 2022/23 capital programme.

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

	Prior years expenditure	2021/22	2022/23	2023/24	Total
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Projected Total	£0.060m	£0.2m	£2.63m	£0.076m	£2.966m
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8.2 Procurement

- 8.2.1 Strategic Procurement (SP) note that this report relates to the approval of awards for Highgate Primary School — Award of Construction Contract (Construction Contract Award) to provide External Envelope and Building Services Improvements.
- 8.2.2 SP support the recommendations in this report in accordance with Contract Standing Orders clause 7.0.1. (b) and 9.07.3
- 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 LCP Major Works 2019 Framework under Lot 2.1b, Education and leisure.
- 8.2.4 Compliant tenders were received from 3 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. Kind Diamond Build Consortium Ltd scored the highest in quality and in price, scoring 86.4% overall.
- 8.2.6 SP notes that as per section 8 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 Kind Diamond Build Consortium Ltd for £2,239,272.

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) Framework Agreement, Lot 2.1 (b) ((Education & Leisure) The LCP Framework Agreement was set up by the Council in accordance with 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 (CSO 3.01 (d)).
- 8.3.4. Decisions which would ordinarily be taken by Cabinet may, in-between meetings of the Cabinet, be taken by the Cabinet Member with relevant portfolio responsibility provided that the Leader has allocated the decision (CSO 16.02). In these circumstances, the

Cabinet Member may approve the award of this contract. The Cabinet Member may also approve the issue of a letter of intent up to 10% of the value of the contract.

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.

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 Kind Diamond Build Consortium Ltd up to the value of £2,239,272 to undertake works to the building infrastructure and building fabric. It was identified that the condition and suitability deficiencies at Highgate 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, Kind Diamond Build Consortium 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 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.
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9 Use of Appendices

9.2 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 statutory holding that information).