

**Report for:** Cabinet Member Signing – 1 December 2022

**Title:** Park View School - Replacement of Sports Hall Roof and Wall cladding with Associated Works – Further Variation of Construction Contract

**Report**

**Authorised by:** Ann Graham, Director Children's Services

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**Ward(s) affected:** West Green

**Report for Key/**

**Non Key Decision:** Key Decision

**1. Describe the issues under consideration**

- 1.1 On 13<sup>th</sup> April 2021 the Cabinet Member approved an award to Cosmur Construction (London) Ltd for Park View School up to £869,431.24.
- 1.2 On the 10<sup>th</sup> March 2022 Cabinet Member approved a variation of contract to Cosmur Construction (London) Ltd for Park View School up to £954,137.87.
- 1.3 Variation of works, set out in section 4 have been approved by the Client under change control. On this basis this is a retrospective request. This report seeks Cabinet Member approval to vary the contract with Cosmur Construction (London) Ltd for Park View School as allowed under Contract Standing Order (CSO) 16.02 and 10.2.1.b and as set out in section 3.
- 1.4 The additional works provide the Council with greater value for money by including the works within the current contract on site, as opposed to returning with a separate contract, which as a result of the current climate – construction inflation and material shortages - would likely result in inflated market rates and cause further disruption to the schools.

**2. Cabinet Member Introduction**

- 2.1 Not applicable.

**3. Recommendations**

For Cabinet Member for Children, Schools, and Families is recommended:

- 3.1 Pursuant to Contract Standing Order 16.02, to approve a further variation of the construction contract to Cosmur Construction (London) Ltd in the sum of £85,668.24 giving a varied contract value of £1,039,806.11.

- 3.2 To waiver Contract Standing Order 3.01d and delegate authority to the Director of Children's Services to approve any subsequent variations which may be required in the settlement of the final account up to £50,000.

#### **4. Reasons for decision**

- 4.1 The initial variation of construction supported additional condition works to replace the hall flooring, lighting (bulb replacement only) and redecoration. Works which had been discovered once the works commenced and the contractor was able to fully access and intrusively inspect the hall flooring and lighting. Scaffolding and working crash deck in place for new mechanical works provided greater access to inspect lighting.
- 4.2 A further variation is requested to support additional gantry works for the air handling unit, temporary ventilation supplies over the exam period, raising the height of the new ventilation sock, fire alarm modifications, additional drainage works and adjustments to the design for damp proof membrane. These works have been approved by the Client under change control and are contained within the programme budget.
- 4.3 The additional works provide the Council with greater value for money by including the works within the current contract on site, as opposed to returning with a separate contract, which as a result of the current climate – construction inflation and material shortages - would likely result in inflated market rates and cause further disruption to the school.
- 4.4 The additional work has led to the contractor requesting further time to accommodate all additional work condition works, some of which may not been fully considered as part of the original variation request.
- 4.5 The final account has not been agreed and will require to be fully evidenced to achieve the allowance requested in this report.
- 4.6 The Children's Capital Programme Budget is sufficient to cover this contract increase.

#### **5. Alternative Options Considered**

- 5.1 Do nothing – a decision not to support the increase in the value of the construction works contract would leave the school with inadequate facilities to meet curriculum requirements which the community also benefit from.
- 5.2 Returning to the market and delivering under a separate contract was discounted as would not offer best value to the Council due to current climate conditions – construction inflation and material shortages – this would likely result in inflated market rates and cause further disruption to the school.

## 6. Background Information

- 6.1 London Borough of Haringey are seeking to identify and address building condition and suitability issues across the Education/schools estate.
- 6.2 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.
- 6.3 The condition survey for Park View School identified issues relating to the condition of the Sports Hall Roof including regular water penetration during rainfall. These issues were backed up by the school providing information about the history of the water penetration and the failure of recent attempts to repair the roof. During outline and design development the scope of the project evolved to also include:
- Replacement of wall cladding
  - Replacement of the halls ventilation system as this presented a health and safety issue due to inadequate supply of fresh air.
  - There was no safe access to the roof for routine maintenance.
  - Existing gutters and downpipes poorly sized to cater for the currently predicted heavy rainfall events.
  - The underground drainage associated to the removal of rainwater from the sports hall had failed in a number of locations and needed significant repairs.
- 6.4 Further works were identified during construction including replacement of flooring, lighting (bulb replacement only) and redecoration. This was approved via a variation of award in March 2022. It was noted in this variation that the works were expected to take place until July 2022 to accommodate a break for exams.
- 6.5 Additional works described in 4.1 and 4.2 have offer a projected completion of October 2022. The loss and expense claim associated with the Extension of Time (EoT) award to the contractor is presently being finalised with contractor. This variation includes a contingency to support settlement of the final account.
- 6.6 The quantity surveyor has verified and confirmed the additional condition work costs are in line with market rates and will not result in the Council paying any additional costs compared with them being included within the tender.
- 6.7 The contract increases can be supported by the Children's Capital Programme:

	Original Budget	Revised Total Project Budget
Construction	£869,431.24	£1,039,806.11

Other	£438,969.99	£376,672.67
<b>Total</b>	<b>£1,308,401.14</b>	<b>£1,416,478.78</b>

6.8 A summary table of construction contract awards and variations is shown below:

<b>Contract Awards &amp; Variations</b>	<b>Cost</b>
Original Contract Award April 2021 (including contingency)	£869,431.24
Variation No.1 March 2022 (including contingency)	£84,706.63
<b>Total Contract Award Value as at March 2022</b>	<b>£954,137.87</b>
Variation No.2 December 2022 (including contingency)	£85,668.24
<b>Total Contract Award Value as December 2022</b>	<b>£1,039,806.11</b>

## 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 To confirm Park View is not in Wave 1 but is a high priority due to high risk in relation to health and safety or operational delivery impact to the school (i.e. not being able to use their sports facility).

## 8. Statutory Officer Comments

### 8.1 Finance

8.1.1 The recommendation of the report is to vary the contract value for works at Park View School by £0.085m. If agreed, the revised contract sum will be as £1.039m. There is also a recommendation to delegate to the Director Children's Services to vary the contract further up to a maximum of £0.05m to allow for any variations in the final account.

8.1.2 The proposed contract variation will mean that the outturn cost of construction would be £0.170m (20%) greater than the original contract award.

8.1.3 The proposed variation and the potential additional £0.05m can be contained within the overall Children's Services approved capital programme for 2022/23.

### 8.2 Procurement

8.2.1 Strategic Procurement note the content of the report. The variations noted in the paper are in line with the authority's CSO's and the PCR's. Strategic procurement approves the variation for Park View.

### **8.3 Legal**

8.3.1 The Head of Legal and Governance (Monitoring Officer) has been consulted in the preparation of this report. The aggregate value of the original contract award and the variations referred to in the report are below the threshold where the rules on contract modifications set out in Regulation 72 of the Public Contracts Regulations 2015 apply. The variations are therefore outside the scope of Regulation 72.

8.3.2 Pursuant to CSO 16.02 and CSO 10.02.1(b) a Cabinet Member with the relevant portfolio responsibilities has authority to approve the variations referred to in the report.

8.3.3 The variations for Park View School contract is a key decision and, as such, need to comply with the Council's governance arrangements in respect of Key Decisions, including publication on the Forward Plan.

8.3.4 The Head of Legal and Governance (Monitoring Officer) confirms that there are no legal reasons preventing the Cabinet Member for Children, Education and Families from approving the recommendations in this 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 applies to the first part of the duty. Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

8.4.3 The proposed decision is to vary the contract awarded to Cosmur Construction (London) Ltd to account for additional works that have been identified during initial construction works to replace the sports hall roof at Park View School. This will affect roughly 1136 students and members of staff, among whom BAME communities and/or individuals experiencing socioeconomic disadvantage may

be overrepresented (in line with the wider demographic profile of the West Green ward.

8.4.4 The objective of the proposed decision is to replace the hall flooring and lighting, and undertake redecoration works, in addition to the works identified upon the original award to Cosmur Construction (London) Ltd. Works are proposed to coincide with the conclusion of summer exams to minimise the impact of works on Park View School pupils. The additional works will ensure the Sports Hall is of an adequate standard that will allow for its continued use for physical education and other purposes, irrespective of weather conditions. It is expected that this decision will lead to improved health and safety of all students and members of staff. It will also ensure that pupils are not adversely impacted by the works by timing work to avoid the exam period. The proposed decision therefore represents a measure to advance equality of opportunity for all protected groups by ensuring that the standard of the Park View School estate is safe and fit for use. Therefore, despite the fact BAME communities and/or individuals experiencing socioeconomic disadvantage may be overrepresented while the works are being carried out, the long-term impact will be positive.

8.4.6 As an organisation carrying out a public function on behalf of a public body, Cosmur Construction (London) 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. 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 None

## **10 Local Government (Access to Information) Act 1995**

10.1 None