



Haringey Council

Procurement Committee

On: 26th February 2008

Report Title: **Coleridge Primary Expansion Phase 2, Information report**

Forward Plan reference number (if applicable): **N/A**

Report of: **Sharon Shoesmith, Director of The Children and Young People's Service**

Wards(s) affected:
Muswell Hill and Fortis Green

Report for: **Information**

1. Purpose

- 1.1 This report provides information on the finalisation of contract price and variation of the Phase 2 Coleridge Primary School Expansion.

2. Introduction by Cabinet Member

- 2.1 I recommend the proposal in this report to the Committee and support the variation to contract.

3. Recommendation

- 3.1 That Members note the finalisation of the contract price and the variation of the Phase 2 Coleridge Primary Expansion contract.

Contact Officers:

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Claire Barnes - Project Manager, CYPS Tel: 020 8489 1962

Report Authorised by:

IAN BAILEY PP. Sharon Shoesmith
Director
The Children and Young People's Service

4. Chief Financial Officer Comments

- 4.1 The Chief Financial Officer has been consulted in the preparation of this report and

confirms that the proposed increased contract price has been included in the total revised budget approved in January 2008 for the project.

5. Head of Legal Services Comments

- 5.1 The original contract was awarded in principle to the selected contractor by the Procurement Committee in April 2007, in accordance with Contract Standing Orders (CSO11.03).
- 5.2 The Procurement Committee however granted delegated authority to the Director of the Children and Young People's Service to finalise the contract price on the condition that the finalised price did not exceed the Agreed Maximum Price.
- 5.3 The report states that due to unforeseen circumstances, the scope of the contract has since had to be varied, resulting in the contract price rising above the Agreed Maximum Price by £301, 528.
- 5.4 The Director under delegated authority finalised the contract price at the Agreed Maximum Price, and then approved a variation to the contract in the sum of £301, 528 in accordance with CSO 13.03 which allows variations of such value to be authorised by a Director where he/she considers that circumstances require such authorisation, as long as such variations are reported to the Executive at the earliest opportunity.
- 5.5 The Head of Legal Services confirms there are no legal reasons preventing Members from supporting the variation of the contract.

6. Head of Procurement Comments

- 6.1 The original selection of the contractor was by mini competition in accordance with the Councils Major Works framework agreement.
- 6.2 The Cabinet Procurement Committee granted authority to the Director of the Children and Young People's Service to finalise the contract price on the condition that the finalised price did not exceed the Indicative Maximum Price in April 2007.
- 6.3 The scope of the project due to issues contained within this report has resulted in variations exceeding the limits contained in CSO 13.03, which have been approved by the Director of the Children and Young People's Service in accordance with CSO 13.03. This is now reported to the executive.
- 6.4 Change control mechanisms should be in place by the Client for these variations.
- 6.5 The Head of Procurement therefore supports the recommendations contained in this report.

7. Local Government (Access to Information) Act 1985

The following background documents were used in the preparation of this report:

None

8. Executive Summary

- 8.1 At the Procurement Committee held on 17th April 2007, Children & Young People's Service sought and were granted delegated authority for the Director of C&YPS to 1) finalise the contract price with the recommended contractor in relation to the Coleridge Primary Expansion Phase 2 Project and 2) to award the contract providing the overall price did not exceed the Agreed Maximum Price stated within Appendix A Exempt Information.
- 8.2 The report sought delegated authority for the Director of C&YPS to finalise the contract price with the contractor and award the contract providing the overall price did not exceed that stated within Appendix A Exempt Information.
- 8.3 The procurement report indicated that a 2 stage process would be adopted for Phase 2 works. Stage 1 incorporated the selection of a preferred contractor based on prices contained within the framework agreement for site establishment, construction management costs, contractors design costs, overhead and profit. The process included an evaluation of the quality of the contractors bid by preference to the project specification and interview.
- 8.4 The tender evaluation determined that Jerram Falkus should be approached to progress to Stage 2.
- 8.5 Delegated authority was granted in April 2007 and the Council entered into a pre possession agreement with Jerram Falkus in May 2007.
- 8.6 Following an extensive procurement process, Jerram Falkus submitted contractor's proposals on the 27th July.

9. Background

- 9.1 The contractor's proposal incorporated 3 key scope changes which would result in an increased project value.

The scope changes incorporated:

- Highways submitted a requirement to provide a 3m pathway to the side of the site, Crouch End Hill. This will result in the removal and reinstatement of the existing boundary wall and the preservation of 2 no. tree's.

- Planning issued a requirement to incorporate an attenuation system for storm water management.
 - The extent of external repair/reinstatement works to the existing TUC building were not clear during Stage 1 and became evident post demolition.
- 9.2 A value engineering session took place with the design team and Jerram Falkus on the 30th July. A number of specification adjustments were considered and instructed. Whilst retaining the overall design and durability of the project, this process offered a reduction to the overall construction value, refer to Appendix A Exempt Information
- 9.3 During August 2007, a theft on site incurred a loss of lead and damage to the roof structure. This was not covered by the Councils insurance. The proposed contract sum was adjusted to incorporate a provision sum for this work.
- 9.4 In order to achieve a phased occupation programme to accommodate admissions in September 2008 a letter of acceptance based on the value approved at Procurement Committee was issued in September 2007.
- 9.5 The Director of Children & Young People's Service finalised the contract price with the recommended contractor at the Agreed Maximum Price and approved a variation to the contract in the sum of £301,528 under CSO 13.03 on 12th December 2007.

10 Budget

- 10.1 See Appendix A – Exempt Information

11. Financial Implications

- 11.1 The allocation has been revised and reported to members within the budget monitoring report. A separate report has been passed to Corporate Finance demonstrating how this could be met from existing resources.
- 11.2 The table indicated within Appendix A – Exempt Information offers an overview of the budget from 2005 to 2011. This reflects the variation to contract proposed within the report.

Appendix A – Exempt Information