

Agenda item:

[No.]

Procurement Committee

On 12th June 2008

Report Title: Building Schools for the Future (BSF): Award of a pre-construction agreement for Northumberland Park Community School and The Vale

Forward Plan reference number: N/A

Report of: **Director of the Children & Young People's Service**

Wards(s) affected: **Northumberland Park**

Report for: **Non Key Decision**

1. Purpose

- 1.1 To seek Procurement Committee approval to award a pre-construction agreement, for Northumberland Park Community School and The Vale, following a mini competition from the Building Schools for the Future (BSF) Constructor Partners (CP) framework.

2. Introduction by Cabinet Member

- 2.1 Northumberland Park Community School and The Vale is one of the twelve schools in the Building Schools For the Future programme which has advanced to the pre-construction stage in it's programme.
- 2.2 This project is of major significance to the school and the local community, who will all benefit from the enhanced facilities and consequential transformation.

3. Recommendations

- 3.1 The Procurement Committee award the pre-construction contract to the Constructor Partner stated in appendix 18.2

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4. Chief Financial Officer Comments

- 4.1 The Chief Financial Officer has been consulted on the preparation of this report and notes that the cost of awarding the pre-construction contract is budgeted for within the overall BSF Construction Cash Limited budget.
- 4.2 It should be noted that a funding issue has recently come to light in relation to the DCSF's position regarding financing the Council's BSF cash flow. Until recently the DCSF have made cash payments in advance of our spend on the basis that the Final Business Case (FBC) would eventually be approved. This policy has recently been revised by the DCSF whereby no future grant payments will be made until FBC is actually approved and financial close takes place. Given this change to policy any Haringey Council BSF expenditure, in excess of grant received to date, will require financing. A further report will be brought to Committee outlining how this position will be dealt with at the appropriate time.

5. Head of Legal Services Comments

- 5.1 Eversheds, the external legal advisers appointed to the BSF Programme, have confirmed that the Constructor Partners Framework Agreement ("the Framework") to which this report relates has been advertised in the Official Journal of the EU using the restricted procedure - a procedure by which expressions of interest are invited with a selection of those who have expressed an interest being invited to tender.
- 5.2 Eversheds have also confirmed that the Framework was established in accordance with EU procurement directives and regulations.
- 5.3 On the 17th April 2007 the Cabinet Procurement Committee approved the appointment of Construction Partners to the Framework.
- 5.4 The Framework incorporates a mechanism in order to award contracts by way of a mini-competition using a pricing matrix.
- 5.5 The Public Contracts Regulations 2006 allows for the award of a contract for a specific project under a Framework Agreement based on the outcome of a mini competition held between those contractors on a Framework Agreement capable of undertaking the services required in relation to a specific project which is what has been done in this case.
- 5.6 The Head of Legal Services confirms that Legal Services are light touch monitoring the work done by Eversheds. As long as the award of the contract is in accordance with the manner outlined in paragraph 13 of this report, the Head of Legal Services confirms that there are no legal reasons preventing Members from approving the recommendation in this report.

6. Head of Procurement Comments

- 6.1 The selection of the contractors to compete using mini competition has been carried out in accordance with the BSF Framework Agreements for contractors.
- 6.2 The mini competition was undertaken with those contractors who are suitable to carry out the works based on a price/quality submission.
- 6.3 The price/quality evaluation was price (30%), quality assessment (70%) which included the tender written information (40%) and interview assessment (30%) and were applied in relation to the tenders received.
- 6.4 A pre-construction agreement is required to move the design stage forward with the constructor and to subsequently tender the work packages for the compilation of the Agreed Maximum Price (AMP).
- 6.5 The Head of Procurement therefore states that the recommendations in this report will result in overall best value for the Council.

7. Local Government (Access to Information) Act 1985

- 7.1 The following background documents were used in the production of this report:
- Haringey Council's BSF Construction Framework documentation.
 - The Council's Standing Orders
- 7.2 This report contains exempt and non-exempt information. Exempt information is contained in the appendices and is not for publication.
- 7.3 The exempt information is under the following categories:
- The amount of any expenditure proposed to be incurred by the authority under any particular contract for the acquisition of property or the supply of goods or services.
 - Any terms proposed or to be proposed by or to the authority in the course of negotiations for a contract for the acquisition or disposal of property or the supply of goods or services.
 - The identity of any person offering any particular tender for a contract for the supply of goods or services.

8. Background

- 8.1 In April 2007, following an Official Journal of the European Union (OJEU) process, Haringey's Procurement Committee agreed a framework of six Constructor Partners (CP). These CPs would be used to source the twelve school projects in the BSF programme.

- 8.2 In May 2008 it was agreed with the Leader of the Council that, in order to give full Member involvement in the BSF Design and Build process, the pre-construction stage would be reported to Procurement Committee for approval. Subsequently the main award with an (Agreed Maximum Price) would also be presented to Procurement Committee.
- 8.3 Four contractors from the CP framework passed the financial criteria set to enter a mini competition for Northumberland Park Community School and The Vale. All bidders responded, with tender opening taking place on the 9 April 2008. For the names of the bidders see Appendix 18.1. Bidders responded with an indicative cost plan for the construction, site preliminaries and confirmed their fees to carry out the pre-construction stage of the project.
- 8.4 The winning bidder being recommended for a contract for pre-construction services, and the opportunity to negotiate an Agreed Maximum Price for the project as a whole.

9. Evaluation

- 9.1 The submission was evaluated as follows:

Price (30% of total score)

- 9.1.1 The Contractor that submitted the lowest bid in terms of preliminaries based on the anticipated net value of construction scored 100 points. All other tenders score 100 points less 1 for every percentage that their price exceeded the lowest bid. The point score was weighted by 30%.

Quality of tender submission (40% of total score)

- 9.1.2 The following elements made up the quality score:
- A. Confirmation that the initial pricing response still stood and adjustment of it complied with any revised programme information.
 - B. Pricing of project specific preliminary items such as:
 - Provision of tower cranes
 - Scaffolding
 - Protection
 - A separate sheet detailing fixed and time related charges was requested.
 - C. Quality of the cost plan – The Council looked for comfort that the initial cost plan levels were acceptable and therefore the cost plan was judged on the amount of consideration given to produce an accurate cost plan, the amount of back up provided on a micro and macro level. The actual final price of the cost plan was not considered in the evaluation of this submission.
 - D. Proposed management structure and details of any sub-consultants.

- E. CVs of the relevant individuals who will be involved day to day provision of the works including the on site management team and an indication of how the scheme contractor would deal with fluctuations in the work load in terms of resources.
 - F. Anticipated programme – The Council looked for comfort that the initial programme durations are acceptable and a statement was asked for to confirm that.
- 9.1.3 The Council also looked to use the Contractors' knowledge and experience for any innovative alternative programme solutions these were welcomed and reflected in the score for this part of the tender submission.
- 9.1.4 Scores were awarded for each of the categories above and then the total was weighted at 40%.

Interview (30% of total score)

- 9.1.5 The Contractor Partners interviews were held on the 1st of May 2008 at Potter Raper Partnership offices. Representatives from Haringey's Construction Procurement Group, Potter Raper Partnership, BDP (the Design Team Partner), the Construction Project Manager and Northumberland Park Community School attended.
- 9.1.6 Each of the four Contractors who submitted a tender was interviewed. The personnel who would be working on the project were asked to present against three key criteria decided by the schools and their own proposed logistics statement. A panel individually scored each response and the average score was weighted by 30%.
- 9.2 Each Contractor Partner was scored out of 20 points, 14 points were allocated to the explanation of their logistics statement and 2 points were allocated to each of the responses to three questions raised by the school.
- 9.3 The table in Appendix 18.1 shows the outcome of the evaluation. The matrix was completed by LBH, Mace and Potter Raper.

10. Conclusion

- 10.1 The Evaluation Matrix shows the contractors' scores in each category and their overall score with the highest score in each category shown in bold.

11. Sustainability

- 11.1 The Northumberland Park Community School and The Vale scheme exhibits a number of sustainability features. A number of measures are proposed in order to reduce emissions from the site and improve the building's environmental performance. External envelope improvements involving modern insulation and renders will reduce heat loss through the fabric of the buildings, as will the re-roofing of large parts of the school to replace ineffective wood wool slabs. In terms of renewable energy sources, solar panels are proposed to help raise water temperatures and so reduce loads on boilers. The main boilers for the school have very recently been replaced and are operating at their maximum efficiency.

12. Financial Implications

- 12.1 The cost of awarding the pre-construction agreement for the Northumberland Park Community School and The Vale BSF Project is budgeted within the overall Construction Cash Limited Budget of £16,120,440.

13. Legal Implications – Comments Provided by Eversheds

- 13.1 The BSF Framework Agreements with the Construction Partners were established following the correct advertisement in accordance with EC procurement directives and regulations.
- 13.2 The framework incorporates a mechanism in order to score call offs and mini competitions.
- 13.3 The scoring matrix compiled for this mini competition was carried out by Haringey's Construction Procurement Group with the assistance of other professional advisers set out in paragraph 9.1.5 of this report.

14. Equalities Implications

- 14.1 The Northumberland Park Community School and The Vale project is designed to be fully accessible to all levels of physical ability. Additional lifts are being installed, stairs removed, doors widened and covered walkways linking the buildings are being provided to ease congestion within existing corridors. Existing corridors and doorways are also being widened to allow wheelchair users to pass side by side. As part of the vision for the campus, the facilities will be open to the local community.

15. Consultation

- 15.1 The designs have been made available for resident drop-ins, school parents' days, area assemblies and information has been posted through the doors of local residents.
- 15.2 Full consultation has been undertaken as part of the BSF Stage approvals; this had included consultation with Partnership for Schools, CABE, Council planners and building control, the Fire Officer and the Police (Secured by Design).
- 15.3 Further consultation will take place as part of the planning application process, which has recently started.

16. Recommendation

- 16.1 The Procurement Committee award the preconstruction contract to the Constructor Partner in appendix 18.2.

17. Use of Appendices / Tables / Photographs

- 17.1 Evaluation Matrix (18.1)
- 17.2 Recommended contractor and sum (18.2)