

[No.]

Agenda item:

Procurement Committee

16th October 2008

Report Title: **Building Schools for the Future (BSF): Award of a Pre-Construction Agreement for Fortismere School.**

Forward Plan reference number: N/A

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

Wards(s) affected: **Fortis Green**

Report for: **Non Key Decision**

1. Purpose

1.1 To seek Procurement Committee approval to award a pre-construction contract, following a mini competition from the BSF Constructor Partners framework.

2. Introduction by Cabinet Member

2.1 Fortismere School is one of the twelve schools in the Building Schools for the Future programme that has advanced to the pre-construction stage in its 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 That Procurement Committee award the preconstruction contract to the Constructor Partner 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 Haringey Council have agreed a protocol with Pfs/DCSF that enables funding payments to continue to flow in advance of DCSF approval of the Final Business Case. Therefore, the programme can be fully funded without the need for Haringey Council to secure additional financing.

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 the contractors 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 UK regulations (i.e. the Public Contracts Regulations 2006).
- 5.3 On the 17th April 2007 the Cabinet Procurement Committee approved the appointment of six Construction Partners to the Framework.
- 5.4 The reports states that a mini-competition was undertaken with the six Constructor Partners applying the scoring mechanism set out in the Framework and that, based on the outcome of the mini-competition, the most economically advantageous bid was that submitted by the Constructor Partner named in Appendix 18.2.
- 5.5 The Public Contracts Regulations 2006 allows for the selection of a contractor from a Framework Agreement for the award of a contract based on the outcome of a mini-competition held between the contractors on the Framework Agreement capable of providing the services required under that contract.
- 5.6 The Head of Legal Services confirms that Legal Services are light-touch monitoring the work done by Eversheds and that there are no legal reasons preventing Members from approving the recommendation in Paragraph 3 of 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 category

(identified in the amended Schedule 12A of the Local Government Act 1972):
Information relating to the financial or business affairs of any particular person (including the authority holding that information).

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). The 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 (AMP) would also be presented to Procurement Committee.

8.3 All six contractors from the CP framework passed the financial criteria set to enter a mini competition for Fortismere. All six contractors accepted to tender with tender opening taking place on Friday the 29 August 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. The winning bidder is recommended for a contract for pre-construction services, and the opportunity to negotiate an Agreed Maximum Price.

8.4 The Fortismere School Project is a new build project. The existing music block will be demolished and a new music block constructed in its place. ICT will be upgraded throughout the school.

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. 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 this mini competition.
- C. Proposed management structure and details of any sub-consultants.
- D. 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 workload in terms of resources.
- E. Anticipated programme – The Council looked for comfort that the initial programme durations are acceptable and a statement was asked for to confirm that. The Council also looked to use the Contractors knowledge and experience of any innovative alternative programme solutions suggested.

- 9.1.3 Scores were awarded for each of the categories above and then the total was weighted at 40%.

Interview (30% of total score)

- 9.1.4 The Contractor Partners interviews were held on Tuesday 9th September 2008 at the Haringey Civic Centre Offices. Representatives from Haringey's Construction Procurement Group, Quantity Surveyor (Potter Raper Partnership), Design Team Partner (T.P. Bennett), Construction Project Manager (Mace), and a representative from Fortismere School attended.

- 9.1.5 Each of the six 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 proposed logistics statement. A panel individually scored each response and the average score weighted by 30%.

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- 9.2 Each Constructor Partner was scored out of 20 points, 10 points were allocated to the explanation of their logistics statement and 5 points were allocated to the school and key criteria sections of questions.

- 9.3 The table in Exempt Appendices 18.1 shows the outcome of the evaluation.

9.4 Pre-construction services include pre-construction design, change control management, supply chain management / works package tendering with full cost management, value engineering, open book accounting, quality assurance, setting up web based document management system, pre construction management , knowledge sharing / innovation, progress meetings, sustainability workshops, method statements, procurement of surveys, procurement of material samples insurances, warranties and bonds

9.5 This is a generic list of services to be provided by the Constructor Partner, these services are covered by the Pre Construction Sum and many/all will be used to allow the Contractor Partner to build up their Agreed Maximum Price (AMP). The services to be undertaken by the Contractor Partner will only be known once the Contractor Partner is in receipt of the Council's Requirements.

10. Conclusion

10.1 The formal contract award is programmed to take place in March 2009, at which point the pre-construction agreement will be superseded.

The Evaluation Matrix shows the contractors' scores in each category and their overall score (in bold).

10.2 The tender included an option to tender for Alexander Park with Fortismere. Should this option be taken it is likely to provide financial savings across both Projects through appointment of a common senior construction team. These savings will be investigated during the negotiation period prior to confirmation of AMP.

11. Sustainability:

11.1 The Fortismere School scheme is under 1000m² and therefore renewable technologies will not be required to reduce the site's annual carbon dioxide emissions by at least 10%. Measures are being considered in the design to minimise water use, energy efficient lighting, sub-metering, school travel plan, recycled construction materials, Certified Timber (Chain of Custody), reduced Volatile Organic Compounds (VOC) materials.

12. Financial Implications

12.1 The fee (see 18.2) for the pre-construction contract for the Fortismere School BSF Project is budgeted within the overall Construction Cash Limited Budget of £4,405,000. The pre-construction element of this project forms an integral part of the overall project budget, and therefore allows for the main contract to be let in due course.

12.2 As the Fortismere School project is subject to an overall cash limit of £4,405,000, commitment of the fee for pre-construction costs at this stage reduces the overall sum available for the main construction contract. The overall project cost plan prepared by Potter Raper Partnership based on fees incurred to date, pre-construction costs and projected main construction contract can be delivered within the Cash Limited Budget, based on plans at this point in time.

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 9.1.4 of this report.

14 Equalities Implications

- 14.1 The new build elements of the Fortismere School project are being designed to be fully accessible to all levels of physical ability. As part of the vision for the campus, the facilities have the potential to be open to the local community.

15. Consultation

- 15.1 The designs have been made available throughout the process, for resident drop in sessions, school parents and school governors review days, school council 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)
- 17.3 Construction awards to date (18.3)