

Report of the Chief Officer, PPU

**Report to Deputy Director, Learning Skills and Universal Services,
Children's Services**

Date: 30th September 2014

**Subject: Tender Acceptance Report for North East SILC and South
SILC (Specialist Inclusive Learning Centre) Basic Need Projects**



Capital Scheme Number: 16981/NES/000 North East SILC

Capital Scheme Number: 16981/SLS/000 South SILC

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): Hyde Park & Woodhouse (North East) Middleton Park (South SILC)		
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, Access to Information Procedure Rule number: 10.4 (3) Appendix number: A & B		

Summary of main issues

The 'Design & Cost Report' for scheme number 16981/NES/000 (North East SILC) and scheme number 16981/SLS/000 (South SILC), appertaining to the Basic Need new build expansions on the former Blenheim Centre site (NE SILC) and former Broom Court site (South SILC), was approved by Executive Board on 25 June 2014. This decision granted approval to spend a revised cost of £10,329,100, which combined with the approval by Children's Services on 16 May 2014 via a DDN for £197,700 for enabling works provided a total approved cost in the amount of £10,526,845 to cover all elements of the NE SILC new build expansion and approval to spend £4,071,100 to cover all elements of the South SILC new build expansion.

This report requests authority to accept a tender in the sum of **£9,449,875** to **Local Education Partnership (LEP)** for the construction of a generic SEN new build 150 place provision on the former Blenheim Centre site to enable the expansion of the North East SILC and to accept a tender in the sum of **£3,773,947** to **Local Education Partnership (LEP)** for the construction of a generic SEN new build 50 place provision on the former Broom Court site to enable the expansion of the South SILC.

The total project costs inclusive of the tendered construction costs as noted above and all costs such as Authority works, surveys and the like, remain within the overall approved ATS sums for both schemes.

Recommendations

The Deputy Director of Children's Services is requested to:

1. approve the request to award the contract in the sum of **£9,449,875** to **Local Education Partnership (LEP)** for the construction of a generic SEN new build 150 place provision on the former Blenheim Centre site to enable the expansion of the North East SILC;
2. approve the request to award the contract in the sum of **£3,773,947** to **Local Education Partnership (LEP)** for the construction of a generic SEN new build 50 place provision on the former Broom Court site to enable the expansion of the South SILC;
3. approve the request to enter into the independent certifier appointments, collateral warranties from the main building contractor and the professional team and parent company guarantees; and
4. approve the request to enter into other documents that the Built Environment Programme Manager considers necessary to proceed with the project.

1.0 Purpose of this Report

- 1.1 The purpose of this report is to seek authority to accept a tender in the sum of £9,449,875 to Local Education Partnership (LEP) for the construction of a generic SEN new build 150 place provision to enable the expansion of the North East SILC and to accept a tender in the sum of £3,773,947 to Local Education Partnership (LEP) for the construction of a generic SEN new build 50 place provision to enable the expansion of the South SILC.

2.0 Background information

- 2.1 The Basic Need programme represents the Council's response to the demographic growth pressures in primary school provision. The rapidly increasing birth rate in Leeds has required Leeds City Council to approve over 1120 new reception places since 2009 in order that it fulfils its statutory duty to ensure sufficiency of school places.
- 2.2 The scale of the response cannot be met through the existing estate; therefore the expansion of existing schools or the creation of new schools has been required in many instances. Under the Education and Inspections Act 2006, these changes all constitute prescribed alterations, and each requires a statutory process to confirm the change and make it permanent. Capital school building solutions to the demographic need are managed via Children's Services Basic Need Programme.

- 2.3 The expansions of the North East SILC and the South SILC form part of the on-going work to address capacity and sufficiency across all of Children's Services, which includes provision for primary and secondary school places, early years, as well as specialist provision. These proposals form part of the Council's Basic Need Programme that embeds the 'one council' approach that has achieved shared ownership of proposed solutions.
- 2.4 On 25 June 2014, Executive Board approved the school expansion of the NE SILC from a capacity of 200 to 350 pupils and the South SILC from a capacity of 150 to 200 pupils. A new build 150 place provision on the former Blenheim Centre site will enable the expansion of the North East SILC and a new build 50 place provision on the former Broom Court site will enable the expansion of the South SILC.
- 2.5 The development site for the North East SILC is on the area of land occupying the former Blenheim Centre which is due for demolition in September 2014. The land occupying the Grafton superintendent property will be developed for car parking and the property will also be demolished in September 2014. Demolition of both properties was agreed by Asset Management Board in March 2014. The development site for the South SILC is the former Broom Court residential care home for children with complex learning and behavioural difficulties. The building has already been demolished by Civic Enterprise.
- 2.6 The scope for the North East SILC expansion project is to design and build generic SEN provision for 150 children and young people aged 2 to 16. The scope for the South SILC expansion project is to build a 50 place provision, allowing the existing pupil places to expand from 100 to 150. Both buildings will be completed and ready for occupation in September 2015, with building work due for completion in August 2015.
- 2.7 An enabling package, at a value of £197k, to complete the asbestos removal and demolition of the existing Blenheim Centre for the NE SILC scheme was approved in May 2014 as a DDN to ensure the scheme can be delivered as per the existing programme.
- 2.8 A further enabling package for the NE SILC scheme, at a value of £306k, to carry out early site works prior to contract award and completion of commercial discussions was approved in July 2014. An enabling package for the South SILC scheme, at a value of £388k, to carry out early site works prior to contract award and completion of commercial discussions was also approved in July 2014.
- 2.9 The tender sums listed within this report include the values of the enabling packages listed in sections 2.7 and 2.8 of this report.

3.0 Main issues

3.1 Proposal

- 3.1.1. The proposed work to expand the NE SILC consists of the following components:
- Construction of a 3 storey building with 17 classrooms and associated ancillary facilities (toilets, stores etc.). The construction will also include specialist SEN

accommodation such as calming rooms, rebound therapy, hygiene suites and an interactive room, plus a large hall, a small hall, activity hall, medical/nurse rooms, kitchen, offices, reception, staff room, staff workroom, staff toilets, meeting room, small group rooms and a social skills room which will be used for multi-purpose activities;

- External works will include the creation of car parking adjacent to the proposed new SEN building and adjacent to the Grafton Learning Centre; a habitat area; and both hard and soft pour surfacing play areas;
- Necessary off-site highways works; and
- A contribution toward additional teaching furniture and ICT equipment required to populate the new classroom spaces.

3.1.2 The proposed work to expand the South SILC consists of the following components:

- Construction of a 2 storey building with 6 classrooms and associated ancillary facilities (toilets, stores etc.). The construction will also include specialist SEN accommodation such as calming rooms, rebound therapy and hygiene suites, plus a small hall, group rooms, a science base, an art/design and technology base and a social skills room which will be used for multi-purpose activities.
- External works will include the creation of a new car park to the front of the building and an outdoor learning area to the side of the building which will be used by students to grow vegetables etc.
- Necessary off-site highways works; and
- A contribution toward additional teaching furniture and ICT equipment required to populate the new classroom spaces.

3.1.3 The Local Education Partnership (LEP)/Interserve Construction Ltd (ICL) were commissioned under “exclusivity” as both projects include providing additional accommodation for secondary school age children that are still in education. PPPU were commissioned to Project Manage the schemes which is being designed and constructed by the LEP through their contractor ICL. The designs have been progressed to end of RIBA Stage E and the schemes will be awarded on the basis of the NEC3 form of contract (Option A) with a fixed price agreed through a combination of benchmarking and Market testing.

3.1.4 A detailed cost plan has been produced for each scheme by the LEP and cost checks have been carried out at the end of RIBA stage E; this cost plan has been validated by ICL and Norfolk Property Services (NPS) Leeds Ltd.

3.1.5 NPS have been commissioned by PPPU for the provision of multi-disciplinary consultant advice (technical advisory services) to support the Client and Project Management Team during RIBA Work Stages D to E up to award of contract.

- 3.1.6 LEP/ICL submitted a RIBA Stage E tender submission for the works detailed within this report on 23 May 2014. Several amendments to drawings have been submitted and on the 12th September 2014 LEP/ICL submitted a final set of drawings for contract award.
- 3.1.7 Following a tender evaluation completed by NPS this report seeks to accept the tender from LEP/ICL in respect of the works and award the contract in accordance with Leeds City Council procurement rules.
- 3.1.8 A tender decision report has been completed for each scheme by the commissioned NPS Quantity Surveyor and copies of these reports are appended to this report as confidential attachments (Appendix A and B).

3.2 Programme

- 3.2.1 Formal acceptance of the tenders is required at the earliest available opportunity to ensure an anticipated handover of the sites to the developer before end of September 2014 in order to provide the supplementary accommodation for occupation on September 2015.

4.0 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The proposed schemes and works associated with the NE SILC and South SILC have been the subject of consultation with LCC Officers, school representatives, end users and local ward members.
- 4.1.2 Pre-planning meetings were held with officers from Planning & Highways prior to the submission of the planning application. Substantial engagement has taken place with key stakeholders in respect of the off-site highway solutions. Elected members were briefed in February 2014.
- 4.1.3 Local Members have been briefed on progress of the scheme and the Basic Need Programme Manager holds regular 6 weekly meetings with the Deputy Executive Board Member, Children's Services (Learning). Children's Services and PPPU will continue to brief Councillors at key stages throughout the expansion project as required.

4.2 Equality & Diversity / Cohesion & Integration

- 4.2.1 The recommendation within this report does not have any direct nor specific impact on any of the groups falling under equality legislation and the need to eliminate discrimination and promote equality. A screening document was prepared and an independent impact assessment is not required for the approvals requested.

4.3 Council Policies & City Priorities

- 4.3.1 This scheme is due to be delivered under the City Council's Basic Need programme and is required to fulfil the Local Authority's statutory responsibility to provide sufficient school places.
- 4.3.2 All proposals within the report have been brought forward to fulfil the Council's statutory duty to secure sufficient school places. In providing places close to where the children live the proposals will improve accessibility of local and desirable school places, and thus reduce any risks of non-attendance.
- 4.3.3 The SILC schemes are linked to the Best Council Plan 2013-2017 objective of becoming an efficient and enterprising council by improving how we're organised and making best use of our assets. The council are ensuring value for money is achieved and costs are minimised through the effective procurement and delivery of projects.

4.4 Resource & Value For Money

- 4.4.1 The tender price submitted by LEP/ICL is based upon the completed form of tender, design drawings and specific technical information relating to these proposals produced as a consequence of the project (technical surveys etc.) The tender price is based upon amendments to the Education Funding Agency (EFA) specification and Children's Services specification.
- 4.4.2 PPPU have engaged NPS to provide technical advice to validate the design against the EFA and Children's Services specifications. NPS and ICL have met with LCC to agree a final amended document to reflect the projects requirements.
- 4.4.3 NPS have assessed the Tender Submission on the competitiveness of the various sub-contractor quotes received at Stage E, accuracy of quantities and prices. The attached tender reports (Appendix A and B) have determined that the successful tenders represent value for money.
- 4.4.4 The attached tender reports detail contract clauses against which LEP/ICL had proposed derogations within their Stage E tender submissions. During negotiations various derogations have been removed and agreed with the LCC Project Team ahead of inclusion in contract documents.
- 4.4.5 All works have been procured in accordance with Leeds City Council's contract procedure rules. Following specific advice from LCC Procurement Unit the scheme was tendered via the LEP exclusivity utilising a NEC3 contract form.

4.5 Full Scheme Estimate

- 4.5.1 The tender submission for the NE SILC provided by LEP/ICL of **£9,449,875** is within the tolerances of the pre-tender estimate provided by LEP/ICL. The tender submission for the South SILC provided by LEP/ICL of **£3,773,947** is within the tolerances of the pre-tender estimate provided by LEP/ICL. An evaluation of both submissions has been completed by NPS and they have been confirmed to offer value for money and a competitive rate for the works.

4.6 Prior Approvals

- 4.6.1 A planning application for the aforementioned works for the NE SILC was submitted in February 2014, planning permission was subsequently granted on the 5th June 2014 with minor conditions. A planning application for the aforementioned works for the South SILC was submitted in February 2014, planning permission was subsequently granted on the 23rd June 2014 with minor conditions.
- 4.6.2 The Design & Cost Report was approved by Executive Board on 25th June 2014 for both schemes. This secured authority to spend £10,329,100 on the NE SILC expansion and £4,071,100 on the South SILC expansion.
- 4.6.3 The Design & Cost Report combined with the approval by Children's Services on 16 May 2014 via a DDN for £197,700 for enabling works provided a total approved cost in the amount of £10,526,845 to cover all elements of the NE SILC new build expansion.

4.7 Legal Implications, Access to Information & Call-in

- 4.7.1 Appendices A & B of this report have been marked as confidential under the 'Access to Information Procedure Rules' 10.4 (3) on the basis that they contain information relating to the financial or business affairs of any particular person (including the authority holding that information) which, if made public record, would / or would likely prejudice the commercial interests of said person / the Local Authority.
- 4.7.2 The Projects were detailed on the previous list of 'Key Decisions' for Authority To Spend (ATS) and were not subject to any 'call-in' requests.
- 4.7.3 The tenders have been procured in accordance with the City Council's contract procedure rules and thus should be awarded to the LEP/ICL via the LEP exclusivity.

4.8 Risk Management

- 4.8.1 General risk to the project as a whole is to be managed through the application of 'best practice' project management tools and techniques via the Council's Delivering Successful Change Methodology. Experienced Project Management resource from PPPU will be tasked with ensuring the project remains within the predetermined risk tolerances.
- 4.8.2 A risk log has been maintained throughout the project and escalation is via the Basic Need Programme Manager.

5.0 Conclusions

- 5.1 An evaluation of the tender submission from LEP/ICL completed by NPS, and verified against the RIBA Stage E cost estimate, has determined that the price provided is competitive and displays value for money. The recommendation therefore is to accept LEP/ICL tender for the NE SILC in the sum of £9,449,875 and for the South SILC in the sum of £3,773,947 and proceed with contract award as

soon as possible in order to achieve the programmes dates stipulated in section 3.2 of this report.

6.0 Recommendations

6.1 The Deputy Director of Children's Services is requested to:

- i. approve the request to award the contract in the sum of **£9,449,875** to **Local Education Partnership (LEP)** for the construction of a generic SEN new build 150 place provision on the former Blenheim Centre site to enable the expansion of the North East SILC.
- ii. approve the request to award the contract in the sum of **£3,773,947** to **Local Education Partnership (LEP)** for the construction of a generic SEN new build 50 place provision on the former Broom Court site to enable the expansion of the South SILC
- iii. approve the request to enter into the independent certifier appointments, collateral warranties from the main building contractor and the professional team and parent company guarantees.
- iv. approve the request to enter into other documents that the Built Environment Programme Manager considers necessary to proceed with the project.

7.0 Background documents¹

7.1. None

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.