

Report of the Executive Project Manager, PPPU

Report to Director of Children's Services

Date: 27th October 2014

Subject: Tender Acceptance Report Basic Need – Asquith Primary School



Capital Scheme Number: 16585/ASQ/000

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): Morley North	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
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? If relevant, Access to Information Procedure Rule number: Confidential under 'Access to Information' Procedure Rules 10.4 (3) – Appendix C	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Summary of main issues

- 1 The Design & Cost Report to deliver the proposed Basic Need new build expansion of the Asquith Primary School on the existing site was approved by Executive Board on 25/06/14 in the sum of **£2,895,100**.
- 2 In order for the building project to proceed, the PFI contract (and specifically the Principal Agreement), must be amended through a Deed of Variation to incorporate the additional accommodation for the remaining 16 years of the PFI contract in respect of the build, maintenance, service delivery and life-cycling. Legal and Commercial discussions with the PFI consortia Infrastructure Managers Ltd (referred to as SPV within this report) and intended contractors Carillion/Portkabin are now complete.
- 3 The purpose of this report is to request authority to accept a tender in the sum of **£2,637,334.35** for the SPV to construct the modular building for the Basic Need new build expansion of Asquith Primary School under the terms of the Principal Agreement and enter into the Principal Agreement variation that will detail the exact arrangements for this extension.

Recommendations

The Director of Children's Services is requested to:

- Approve the request to award the contract in the sum of **£2,637,334.35** to Infrastructure Managers Ltd the SPV to construct a modular building for the Basic Need new build expansion of Asquith Primary School.
- Authorise the signature of the deed of variation of the Project Agreement required to implement the scheme.
- Authorise the signature of the independent certifiers' deed of appointment and collateral warranties with the main building contractor, architect, landscape architect, employer's agent, mechanical and electrical engineer and structural engineer.
- Authorise the signature of all other documentation that is required to deliver the project in the opinion of the Programme Manager Built Environment.

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 **£2,637,334.35** for the SPV Infrastructure Managers Ltd to construct a modular building for the Basic Need new build expansion of Asquith Primary School.

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 1100 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.
- 2.3 In February 2013 the Council's Executive Board approved the undertaking of formal consultation on the expansion Asquith Primary from a capacity of 210 to 420 pupils. This expansion will be provided on the existing school site. The statutory consultation was held from 25th February 2013 to 29th March 2013 and the outcome was reported back to Executive Board in May 2013. Approval was subsequently granted to proceed with the proposals and the Statutory Notices were published on 21st June 2013. Final determination for the permanent increase in pupil numbers was granted in September 2013.
- 2.4 The expansion proposals for Asquith Primary School have been allocated 'Targeted Basic Need Funding' by the Education Funding Agency (EFA). Funding has been provided on the basis of a strict timeline for payment and completion being adhered to. Any delay to the programme detailed in section 4.1 resulting in the funding not

being claimed to the appropriate timescale potentially places the funding allocation for Asquith at risk.

2.5 Asquith Primary School was rebuilt in 2002 as part of a package of 7PFI schools. As such, the SPV for this contract will be delivering the building work associated with the expansion at this site under the 'right of exclusivity' detailed within the PFI contract. The Facilities Management contractor, Carillion, will consequently be assuming the role of 'principal contractor' for any work undertaken and will be responsible for procuring contractors. The scheme needs to be approved by the PFI Consortia's funders before works can commence on site. Funder approval is on track to be received Friday 31 October as planned.

3.0 **Main issues**

3.1 The proposed work to expand Asquith Primary School consists of the following components:

- Construction of a two storey separate building to act as the junior provision with classrooms and associated ancillary facilities (toilets, cloaks, stores etc.). The existing halls, kitchen, offices, reception, staff room and staff workroom will be utilised;
- External works will include the creation of additional staff car parking and hard play to meet outdoor play requirements. The playing fields will be fenced (with an associated community use agreement) and the existing path will be closed and diverted;
- Necessary off-site highways works; and
- A contribution toward additional teaching furniture and ICT equipment required to populate the new classroom spaces.

3.2 The admission limit changed permanently in September 2014 when the school admitted a bulge cohort in September 2013. The construction of the new accommodation will affect the use of the existing hard play area for the school; as such a package of enabling work has already been approved to undertake some internal works and to provide additional hard play. These Phase 1 works are now completed.

3.3 Phase 2 works to deliver the modular building and associated works are programmed for completion April 2015. The works will be carried out jointly by Portakabin and Carillion, the split of responsibilities is set out in the Contractors proposals.

3.4 A detailed cost plan has been produced for this scheme and cost checks have been carried out at the end of RIBA stage E; these cost plans have been validated by the PFI consortia and their cost managers Rex Proctor & Partners. Contractor proposals have been reviewed by both the PFI provider and LCC and have now been agreed.

3.5 Following a tender evaluation completed by Rex Proctor this report seeks to accept the tender from Portakabin and the ancillary works to be completed by Carillion in respect of the works at Asquith Primary School and award the contract in accordance with Leeds City Council procurement rules.

4.0 **Programme**

4.1 Formal acceptance of the tender is required at the earliest opportunity to ensure an anticipated handover of the site to the developer on 3 November 2014. Occupation of the new accommodation is not required until September 2015, however the school have compromised by temporarily utilising some key areas within the existing building to accommodate the additional 2013 and 2014 intake. Completion of the new building in April 2015 will alleviate the operational compromises the school are making in order to facilitate the expansion.

5.0 **Corporate Considerations**

5.1 Consultation and Engagement

5.1.1 The proposed scheme and associated work at Asquith Primary has been the subject of consultation with Children's Services Officers, school representatives and local ward members. All detailed project communication is being managed via a formal project communication plan.

5.1.2 Pre-planning meetings have been 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 solution. A pre-planning drop in session was held for local residents and parents on 24th March 2014 by representatives from Children's Services, PPPU, Highways, Planning, Carillion and the School to answer any queries. Elected members were briefed in October 2013.

5.1.3 Consultation meetings with reference to the proposed designs have been held with the School.

5.1.4 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.

5.2 Equality & Diversity / Cohesion & Integration

5.2.1 The recommendations within this report do not have any direct nor specific impact upon any of the groups falling under equality legislation and the need to eliminate discrimination and promote equality.

5.2.2 An 'Equality, Diversity, Cohesion & Integration' screening document was completed to support the 'Design Cost Report' for this project; this is appended to this document as Appendix B.

5.3 Council Policies & City Priorities

- 5.3.1 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.
- 5.3.2 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.
- 5.3.3 The Asquith scheme is linked to the Best Council Plan 2013-2017 objective of becoming a Child Friendly City and 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.

5.4 Resource & Value for Money

- 5.4.1 The tender price is based upon the completed form of tender, design drawings and specification provided by Portakabin, specific technical information relating to these proposals produced as a consequence of the project (technical surveys etc.)
- 5.4.2 Rex Procter and Partners working on behalf of the SPV have continued their involvement on this scheme beyond the cost estimate provided within the DCR (produced at RIBA Stage D) and have provided Quantity Surveyor and project administration services during the tender period.
- 5.4.3 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 through a competitive process utilising a JCT contract form.

5.5 Full Scheme Estimate

- 5.5.1 The tender submission provided by Infrastructure Managers of **£2,637,334.35** is within the cost envelope set out in the DCR approval . An evaluation of this submission has been completed by Rex Proctors and LCC and it has been confirmed to offer value for money and a competitive rate for the works.

5.6 Prior Approvals

- 5.6.1 A planning application for the aforementioned works was submitted on 2 April 2014, planning permission was subsequently granted on 11 June 2014 with minor conditions.
- 5.6.2 Approval to spend was granted by Executive Board on 25th June 2014. This decision granted approval to spend a total of **£2,895,100** to cover all elements of the expansion of Asquith Primary School. The original DCR approval breakdown of costs is set out at Appendix C **Table 1** below with a revised distribution of cost to reflect the actual spend at Appendix C **Table 2**.

6.0 **Legal Implications, Access to Information & Call-in**

6.1 Implications for Council Policy & Governance

- 6.1.1 The Project has been detailed on the future list of 'Key Decisions' and has not been subject to any 'call-in' requests.
- 6.1.2 The tender has been procured in accordance with the City Council's contract procedure rules.
- 6.1.3 The detail of the contract variation has been agreed by staff from PPPU/PU following instructions from Children's Services staff.

7.0 **Risk Management**

- 7.1 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.
- 7.2 A risk log has been maintained throughout the project and escalation is via the Basic Need Programme Manager.

8.0 **Conclusions**

- 8.1 An evaluation of the tender submission from Portakabin completed by Rex Proctor and LCC 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 the SPV Infrastructure Managers overall variation cost for the works in the sum of **£2,637,334.35** and proceed with contract award as soon as possible in order to achieve the programmes dates stipulated in section 3.2 of this report.

9.0 **Recommendations**

- 9.1 The Director of Children's Services is requested to:
 - Approve the request to award the contract in the sum of **£2,637,334.35** to Infrastructure Managers Ltd the SPV to construct a modular building for the Basic Need new build expansion of Asquith Primary School.
 - Authorise the signature of the deed of variation of the Project Agreement required to implement the scheme.
 - Authorise the signature of the independent certifiers' deed of appointment and collateral warranties with the main building contractor, architect, landscape architect, employer's agent, mechanical and electrical engineer and structural engineer.

- Authorise the signature of all other documentation that is required to deliver the project in the opinion of the Programme Manager Built Environment.

10. **Background documents**¹

10.1 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.