

Report of the Chief Officer (PPPU)

Head of Service - Learning Systems, Children's Services

Date: 21 April 2016

Subject: Decision Report: Gledhow Primary School Learning Places Project – Contractor Early Works Agreement Extension



Capital Scheme Number: 32274/GLE/000

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): Roundhay		
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
Appendix A - Copy of original EWA and Proposal (EWA 1) Appendix C - Early Works Costs Breakdown (EWA2)		
If relevant, Access to Information Procedure Rule number: 10.4 (3)		

Summary of main issues

1. The Design & Cost Report (DCR) for the delivery of the proposed Learning Places expansion of Gledhow Primary School received approval on 10 February 2016 to incur capital expenditure of £5,300,000 from capital scheme number 32274/GLE/000 for delivery of the project.
2. The stage 2 tender submission was received from Wates Construction Ltd (WCL) for £4,236,550 on 25 January 2016. WCL were selected for the project using a two-stage mini-competition from the YORbuild Framework.
3. The scheme is currently deliverable within the £5.3m budget approved by Executive Board on 22 April 2015.
4. Although the scheme is deliverable within the approved budget, some of the costings in the tender submission were higher than expected. Contract award for the scheme has therefore delayed while the project team carry out a due diligence and cost analysis exercise to ensure that the project provides value for money to the council.

5. The Council entered into an Early Works Agreement with the main Contractor (Wates construction Ltd) on 03 March 2016. This provided approval for the Contractor to carry out Early Works at Gledhow between 14 March 2016 and 15 April 2016 up to the value of £363,444.76. A copy of the original Early Works Agreement and proposal is included at Appendix A.
6. The council granted the Contractor an extension of one week to the Early Works Agreement on 15 April 2016. This was for an extension of time only and did not include for an increase to the early works cost limit. The revised early works period is now due to end on 22 April 2016.
7. Commercial negotiations with the Contractor are still ongoing and a number of tender clarifications remain outstanding which require resolution in order to award the main contract.
8. As the Early Works Agreement is due to expire imminently, approval is required to extend this by a further three weeks from 25 April to 13 May 2016 and increase the early works cost limit by £381,723.43 to £745,168 (noting that £363,444.76 of this sum has previously been approved under the original Early Works Agreement by the Head of Service – Learning Systems, on 03 March 2016)
9. Extension of the Early Works Agreement will allow Wates to continue with critical works onsite and enable the scheme to remain on programme to ensure that there are sufficient places for the increased number of pupils joining the school in September 2016.
10. It is the intention to let the main contract by 13 May 2016 and a Tender Acceptance Report to seek Authority to Award is being drafted in preparation for this.

1.0 Purpose of this Report

- 1.1. The purpose of this report is:
 - 1.1.1. To seek approval from the Head of Service – Learning Systems, to incur further capital expenditure up to a maximum of £381,723.43 from capital scheme number 32274/GLE/000 (noting a revised total early works value of £745,168 (inclusive of £363,444.76 approved previously under the original Early Works Agreement by the Head of Service – Learning Systems, on 03 March 2016).
 - 1.1.2. To seek approval from the Head of Service – Learning Systems, to enter into a revised Early Works Agreement with Wates Construction Limited up to a maximum value of £745,168 (£363,444.76 previously approved as part of the original Early Works Agreement plus £381,723.43 subject to approval via this report).
 - 1.1.3. To provide background information and detail to the Head of Service – Learning Systems, in respect of the Early Works required.

2.0 Background Information

- 2.1. As a consequence of the increasing birth rate in Roundhay and surrounding areas, it is necessary to expand provision at Gledhow Primary School from a 2 Form Entry with 420 pupil places, to a 3 Form Entry with 630 pupil places. The permanent expansion to provision at Gledhow Primary School will be available from September 2016. This new scheme will be completed under the City Council's Learning Places Programme which aims to ensure its statutory duties are met with respect to ensuring a school place for every child within the city and was approved by Executive Board in December 2014.
- 2.2. The proposal for the extension to the school forms 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 Learning Places Programme that embeds the 'one council' approach that has achieved shared ownership of proposed solutions.
- 2.3. The expansion of places at Gledhow Primary was approved by Executive Board in December 2014 following public consultation and the publication of the statutory notice for the expansion, which was published on 26 September 2014.
- 2.4. This proposal is for an increase in school places to serve the area and does not replace any existing schools or places within the community.
- 2.5. The scope of the project at Gledhow Primary School is to build a double storey extension to house seven KS1/2 classrooms, new hall extension, hall store and changing rooms, relocated staffroom and ancillary facilities. A new single storey extension accommodating a new reception classroom will also be provided. Internal remodelling works to the main school entrance and central area will also be carried out to create new reception and administrative spaces, an open-plan learning resource centre and breakout space, and a circulation route through the existing school hall. The scope also includes refurbishment of the kitchen so that it is suitable to service a 3FE school. External works will also be carried out, including the creation of a new staff car park adjacent to the existing staff car park.
- 2.6. The Design and Cost report for Gledhow Primary School was submitted for approval on 28 January 2016 following a 'soft' tender submission from the main Contractor on 08 January 2016. The Design and Cost Report received approval on 10 February 2016 to incur capital expenditure of £5,300,000 from capital scheme number 32274/GLE/000 for delivery of the project.
- 2.7. The stage 2 tender submission was received from Wates Construction Ltd (WCL) for £4,236,550 on 25 January 2016.
- 2.8. The scheme is currently deliverable within the £5.3m budget approved by Executive Board on 22 April 2015.
- 2.9. Although the scheme is deliverable within the approved budget, some of the costings in the tender submission were higher than expected. Contract award for the scheme has therefore been delayed while the project team carry out a due diligence and cost analysis exercise to ensure that the project provides value for money to the council. It is the intention to let the main contract by 06 May 2016 2016 and a Tender Acceptance Report to seek Authority to Award is being drafted in preparation for this.

- 2.10 The Council entered into an Early Works Agreement with the main Contractor (Wates construction Ltd) on 03 March 2016. This provided approval for the Contractor to carry out Early Works at Gledhow between 14 March 2016 and 15 April 2016 up to the value of £363,444.76. A copy of the original Early Works Agreement and proposal is included at Appendix A.
- 2.11 The council granted the Contractor an extension of one week to the Early Works Agreement on 15 April 2016. This was for an extension of time only and did not include for an increase to the early works cost limit. The revised early works period is now due to end on 22 April 2016
- 2.12 Commercial negotiations with the Contractor are still ongoing and a number of tender clarifications that remain outstanding which require resolution in order to award the main contract.
- 2.13 As the Early Works Agreement is due to expire imminently, approval is required to extend this by a further three weeks from 25 April to 13 May 2016 and increase the total early works cost limit by £381,723.43 to £745,168 (noting that £363,444.76 of this sum has previously been approved under the first Early Works Agreement by the Head of Service – Learning Systems, on 03 March 2016)
- 2.14 Extension of the Early Works Agreement will allow Wates to continue with critical works onsite and enable the scheme to remain on programme to ensure that there are sufficient places for the increased number of pupils joining the school in September 2016.
- 2.15 It is the intention to let the main contract by 13 May 2016 and a Tender Acceptance Report to seek Authority to Award is being drafted in preparation for this.

3.0 Main Points

3.1. Proposal

- 3.1.1. A revised Early Works Agreement is required to regularise the contractual arrangement and ensure the scheme is able to remain on programme. This Early Works Agreement will allow the contractor to continue with foundations and drainage works, commencement of masonry to the reception extension and construction of the lift pit.
- 3.1.2. It is expected that the main contract will be awarded prior to the Early Works being completed on the 13 May 2016, therefore a smooth transition between Early Works and construction programmes will be achieved.
- 3.1.3. The early works proposal consists of the following components:
- Drainage and slab works to reception extension
 - Installation of drainage soakaway, backfill and tarmac topping
 - Surface water drainage installation MHSW01 – MHSW04 and MHSW04 – MHSW05 and reinstatement
 - Masonry to reception extension
 - Substructure, foundations and drainage to main extension
 - Construction of lift pit

3.1.4. A summary of the scope of works is attached at Appendix B and a breakdown of costs for the early works at Appendix C.

3.2. Programme

3.2.1. The key milestones to achieve this programme are detailed below:

Early works extension start	25 April 2016
Early works completion	13 May 2016
Main contract Award	13 May 2016
New reception classroom completion	June 2016
Internal remodelling completion	September 2016
New reception classroom and remodelled areas available for September 2016 start of term	September 2016
New two-storey extension completion	November 2016
Project completion	January 2017

3.2.2. A copy of the early works programme is attached at Appendix D.

4.0 Corporate Considerations

4.1. Consultation and Engagement

4.1.1. The proposed scheme and associated works has been the subject of consultation Children's Services Officers, NPS Leeds Ltd and representatives from the school leadership team and Governing Body. The proposals were open to public consultation through the planning consultation process. Ward members have been consulted and PPPU together with Children's Services have made a commitment to continue to brief Councillor's at key stages throughout the building project. The last briefing session was September 2015.

4.2. Equality and Diversity / Cohesion and 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 submitted as part of the DCR. The approved screening document was sent to the Equality Team to be published and held on file.

4.3. Council Policies and City Priorities

4.3.1. This scheme is to be delivered under the City Council's Learning Places Programme and is required to fulfil the Local Authority's statutory responsibility to provide sufficient school places.

5.0 Resource and Value for Money

- 5.1.1. All works have been procured in accordance with Leeds City Council's contract procedure rules.
- 5.1.2. The maximum total cost for the Early Works to be carried out on Gledhow Primary School prior to the main contract award is £745,168, of which £363,444.76 has previously been approved by the Head of Service – Learning Systems, as part of the original Early Works Agreement on 03 March 2016; and £381,723.43 is requested as part of this report. The total cost will be met through capital scheme number 32274/GLE/000 as part of the Learning Places Programme.

6.0 Legal Implications, Access to Information and Call-In

- 6.1.1. This report constitutes a Significant Operational Decision and as such will not be subject to 'Call-In'.
- 6.1.2. The Director of Children's Services has the authority to make this decision under powers granted within part 3 of the Council's Constitution.

7.0 Risk Management

- 7.1.1. Risk for this project is being managed through the application of 'best practice' project management tools and techniques via the City Council's Project Management methodology.
- 7.1.2. Experienced Project Management resource has been allocated from within the Projects Programmes & Procurement Unit. A risk log is maintained for the scheme throughout the project lifecycle and escalation is via the Learning Places Programme Manager.
- 7.1.3. Failure to secure an early works agreement will present a high risk to achievement of the project's time, cost and quality objectives and would potentially put the September 2016 opening date at risk and would result in significant additional costs.

8.0 Conclusions

- 8.1. An evaluation of the cost breakdown and programme submitted by Wates Construction Ltd for the early works extension has been completed by PPPU and NPS Leeds. This has determined that the early works represent value for money and the recommendation is therefore to accept the revised Early Works Contract sum of £745,168, of which £363,444.76 has previously been approved by the Head of Service – Learning Systems, as part of the original Early Works Agreement on 03 March 2016; and £381,723.43 is subject to approval via this report.

9.0 Recommendations

The Head of Service – Learning Systems, is requested to:

- 9.1. Authorise further expenditure of up to £381.723.43 from Capital Scheme number 32274/GLE/000, noting a revised total early works value of £745,168 (inclusive of £363,444.76 previously approved by the Head of Service – Learning Systems on 03 March 2016 under the original Early Works Agreement) to enable additional early

works to be carried out prior to the main contract award for the proposed Learning Places expansion of Gledhow Primary School.

- 9.1.1. To seek approval from the Head of Service – Learning Systems, to enter into a revised Early Works Agreement with Wates Construction Limited up to a maximum value of £745,168 (£363,444.76 previously approved as part of the original Early Works Agreement plus £381,723.43 subject to approval via this report).

10.0 Background documents

- 10.1. Appendix A - Copy of original Early Works Agreement and Proposal (EWA 1)
- 10.2. Appendix B - Early Works Scope of Works (EWA2)
- 10.3. Appendix C - Early Works Costs Breakdown (EWA2)
- 10.4. Appendix D - Early Works Programme (EWA2)
- 10.5. Appendix E - Early Works Site Works Area (EWA2)