

Report of the Head of Programme, PPPU

Report to Director of Children and Families

Date: 5 July 2017

Subject: Tender Acceptance Report – Learning Places Expansion of Fieldhead Carr Primary School



Capital Scheme Number: 32655/FIE/EAR

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): Crossgates and Whinmoor		
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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

- 1 In June 2016 Executive Board approved the principal of a project to expand Fieldhead Carr Primary School from 210 to 420 pupil places with effect from September 2018, along with a funding envelope of £4.9m assigned to deliver the necessary construction works.
- 2 This scheme is to be delivered under the Programme Procurement Strategy which was devised to attract and secure good quality contractor engagement in a rising market. This strategy was approved by the Director of Childrens and Families on 10th February 2016. The project is to be delivered by the PPPU in conjunction with Geo. Houlton’s & Sons Ltd (Houlton) who were selected as the Construction Partner via a Direct Selection Call-Off using the YORbuild framework to undertake the design from RIBA Stage 1 to RIBA Stage 4, and to develop a price for the scheme.
- 3 Houlton engaged NPS Leeds to lead the design. Steps have been taken to manage the resulting potential conflict of interest, including amending the arrangement for the Technical Advisor reviews. The Technical Advisor reviews and cost consultancy for RIBA Stages 1-4 have been completed by NPS Humber, reporting directly to PPPU to ensure a screen between the designers and the Technical Advisor reviews.

- 4 The purpose of this report is to request authority to accept the tender from Houlton for the sum of **£2,931,104**. This budget will be used to facilitate the expansion from 1FE to 2FE and includes the construction of a two-storey new build extension, internal remodelling of the existing school and external works to construct a new car park and playground adjacent the new Key Stage 2 building. This report also requests approval to enter into the contract with Houlton totalling **£2,931,104**. It should be noted that this includes the prior approval of £246,745 for the Pre-Construction Agreement and £71,790 to underwrite the order of works relating to statutory utilities.

- 5 The Design and Cost Report for this scheme was published on 27 June 2017 and covers the full costs of the scheme. The works are scheduled to start on site in July 2017 and complete in August 2018. Two previous approvals are in place for this scheme. The first approval gave authority to enter into a Pre-Construction Agreement with Houlton to cover the pre-contract design fees, totalling £246,745. The second approval was to enter into an Underwriting Agreement with Houlton for the placement of orders for statutory utilities, the cost being £71,790. The costs associated with both of these approvals are included within the tender sum stated in this report. The costs of the Pre-Construction Agreement and Underwriting Agreement do not form part of this approval to award the tender but are detailed in this report to provide context and background for the tender award decision.

Recommendations

The Director of Children and Families is requested to:

- Approve the request to award the contract for the sum of **£2,931,104** to Houlton to a construct a two-storey new build extension, internal remodelling of the existing school and external works to construct a new car park and playground adjacent the new Key Stage 2 building to facilitate the expansion from 1FE to 2FE for the Learning Places Programme scheme at Fieldhead Carr Primary School.

- Authorise the signature of all other documentation that is required to deliver the project.

- Note that the contract award figure includes the previous approvals totalling £318,535, required to facilitate the pre-contract design and ordering of statutory utilities works.

- Note the programme dates identified in section 4.0 of this report, in relation to the implementation of this decision.

- Note that the whole scheme will be completed in August 2018 to accommodate the increased admission number from September 2018.

- Note that the Chief Officer, Projects, Programmes & Procurement Unit (PPPU) is responsible for scheme delivery.

1.0 Purpose of this Report

1.1 The purpose of this report is to request authority:

- To accept the tender from Houlton for the sum of **£2,931,104**. This budget will be used to construct a two-storey new build extension, internal remodelling of the existing school and external works to construct a new car park and playground adjacent the new Key Stage 2 building to facilitate the expansion from 1FE to 2FE for the Learning Places Programme scheme at Fieldhead Carr Primary School.
- To enter into the contract with Houlton totalling **£2,931,104**, this includes the £318,535 of prior approvals to facilitate the pre-contract design and ordering of statutory utilities works.

2.0 Background information

- 2.1 Leeds has an extremely dynamic and growing economy which makes the city a very attractive proposition for families and businesses to move to. As a result, the city's population is growing rapidly, at a faster rate than many of our neighbours and this is reflected in the increasing demand for 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. Under the Education and Inspections Act 2006, these changes constitute prescribed alterations, and each requires a statutory process to confirm the change and make it permanent.
- 2.3 The Council's response to the demographic growth pressures on school provision in the city are managed via Children's Services Learning Places Programme. Since 2010 the programme has created over 1,500 reception places in order that the Council fulfils its statutory duty to ensure sufficiency of school places. The schemes in the programme are working with a range of partners, including schools of varying governance models, to ensure enough places are created to meet demand.
- 2.4 For the academic year starting September 2016, a total of 3 Forms of Entry (FE) permanent and 19FE bulge/temporary have been secured to meet the level of demand from preferences received for this year, which means that every primary age child in Leeds has a sustainable, good learning place.
- 2.5 As a consequence of the increasing birth rate in Whinmoor and surrounding areas, it is necessary to expand provision at Fieldhead Carr Primary School from a 1 Form Entry with 210 pupil places, to a 2 Form Entry with 420 pupil places. 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.

- 2.6 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.
- 2.7 The expansion of places was approved by Executive Board on 22 June 2016 following public consultation and the publication of statutory notices for the expansion on 29 March 2016. 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.
- 2.8 The Design and Cost Report for this scheme was published on 27 June 2017 and covers the full costs of the scheme. The works are scheduled to start on site in July 2017 and complete in August 2018. Two previous approvals are in place for this scheme. The first approval gave authority to enter into a Pre-Construction Agreement with Houlton to cover the pre-contract design fees, totalling £246,745. The second approval was to enter into an Underwriting Agreement with Houlton for the placement of orders for statutory utilities, the cost being £71,790. The costs associated with both of these approvals are included within the tender sum stated in this report. The costs of the Pre-Construction Agreement and Underwriting Agreement do not form part of this approval to award the tender but are detailed in this report to provide context and background for the tender award decision.

3.0 Main Issues

3.1 Design Proposals and Full Scheme Description

- 3.1.1 The proposed work to build the new extension and remodelling at Fieldhead Carr Primary School consists of the following components:
- A new two-storey extension to provide eight Key Stage 2 classrooms with supporting facilities, as well as a new head teacher's office.
 - Internal remodelling of the existing school including adjustment to the Reception classroom, remodelling of the staffroom and administrative area, extension of the dining hall, and an upgrade to the kitchen to meet the demands of the additional pupil intake.
 - A new car park and entrance will be built on the land previously occupied by a nursery which was demolished independent of this project. A new playground for Key Stage 2 will be provided adjacent the extension.
 - In addition to these works, off-site highways road safety improvements and parking restrictions are included.

- The scheme includes fixed furniture and fittings within the new areas, as well as an allocation for loose furniture and ICT equipment. ICT infrastructure upgrades are included for the increased pupil numbers.

3.2 Full planning permission was granted for the scheme on 26 May 2017. Houlton will be working to discharge the pre-commencement conditions to maintain the programme set.

3.3 To support the scheme NPS have been commissioned to provide Technical Advice, Cost Management and whilst in construction will act as the NEC Project Manager and NEC Site Supervisor. Since Houlton engaged NPS Leeds to lead the design, steps were taken to manage the resulting potential conflict of interest, including amending the arrangement for the Technical Advisor reviews. The Technical Advisor reviews and cost consultancy for RIBA Stages 1-4 have been completed by NPS Humber, reporting directly to PPPU to ensure a screen between the designers and the Technical Advisor reviews.

3.4 Following a technical and financial tender evaluation completed by NPS, this report seeks to accept the tender in respect of proposed works at Fieldhead Carr 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 the contracted works can start on site on 26 July 2017 and the overall programme meets the scheduled completion date of 6 August 2018.

4.2 Programme

Milestone	Date
Planning submission	21 March 2017
Planning decision	26 May 2017
Contract Award	17 July 2017
Main works commence	26 July 2017
Main works complete	06 August 2018

5.0 Corporate Consideration

5.1 Consultation and Engagement

5.1.1 The proposal to expand the school was subject to statutory process issued on 29 March 2016 including public consultation. The expansion of the school was subsequently approved by the Executive Board on 22 June 2016.

5.1.2 Pre-planning application meetings were held with officers from Planning, Highways and Building Control prior to the formal submission of the Planning Application for the expansion. Ward members have been briefed at each

RIBA stage. PPPU will continue to brief elected members at key stages throughout the project life cycle.

5.1.3 The expansion scheme has been subject to consultation with key stakeholders including Children's Services officers, Ward Members and the Executive member for Children and Families. Consultation has also involved school staff and governors, the local residents and other colleagues within the Council. Prior to submission of the Planning Application for the scheme, a public consultation event took place on 1 February 2017, with a follow-up event displaying the plans submitted within the Planning Application which took place on 30 March 2017.

5.1.4 Throughout the design process, the school and governing body has been and will continue to be consulted to ensure that the final product meets expectations and that any changes proposed do not materially affect the operation and success of the school. Support for the scheme was formally signed off by the school's governing body on 23 May 2017.

6.0 Equality & Diversity / Cohesion & Integration

6.1 The recommendations within this report do 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 has been prepared (**Appendix A Equality, Diversity, Cohesion & Integration Assessment**) and an independent impact assessment is not required for the approvals requested.

7.0 Council Policies & Best Council Plan

7.1 This scheme is due 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. In providing places close to where the children live the proposals will improve the accessibility of local and desirable school places and thus reduce the risk of non-attendance.

7.2 Contract Procurement Rules (CPRs) apply to this process and this Report confirms that the relevant CPRs have been adhered to.

7.3 This contributes to the 2017/18 Best Council Plan outcomes for everyone in Leeds to 'Do well at all levels of learning and have the skills they need for life'; 'Be safe and feel safe' and 'Enjoy happy, healthy, active lives'. It also supports the vision in the supporting Children and Young People's Plan 2015-19 to build a child-friendly city with a focus on ensuring all children and young people are safe from harm; do well at all levels of learning and have the skills for life; enjoy healthy lifestyles; have fun growing up; are active citizens who feel they have a voice and influence. The programme seeks to deliver a supply of good quality accessible local school places which can contribute to these outcomes.

8.0 Resource & Value for Money

- 8.1 Houlton were procured off the YORBuild 2 framework using direct selection at RIBA Stage 0. Working in partnership with the Council, they have developed a full design and cost for the Fieldhead Carr Primary School expansion project.
- 8.2 YORbuild2 recommends that for direct selection value for money is demonstrated in accordance with their best practice document "Open Book Development of Tender Price". Colleagues at NPS have supported this process to ensure compliance with YORbuilds recommendations.
- 8.3 NPS have carried out an evaluation of the tender received and confirm that the tendered figure from Houlton of **£2,931,104** is arithmetically correct, fully priced and in compliance with the Employer's Requirements.
- 8.4 NPS have confirmed that Houlton's have completed market testing of the elements of the works to provide enhanced assurance on the overall costs submitted. Houlton have cooperated with extensive NPS QS queries from spot-checking of the developing cost plan and market testing. Houlton have updated their 'soft tender' price during design development to reflect the outcomes of design and technical reviews.
- 8.5 NPS confirm that Houlton have cooperated to agree a tender price which represents value for money for the Council. NPS are satisfied that the costs presented by Houlton relate to reasonable costs for the work required by the Employer's Requirement. NPS have benchmarked the costs against similar schemes contained upon the Building cost Information Service (BCIS) to provide further confidence in the overall costs submitted. The Tender Report provided by NPS Humber confirms that "the Geo Houlton & Sons Tender has been checked for overall reasonableness and is considered to represent value for money and should be recommended for acceptance in the value of £2,931,104.00".

9.0 Full Scheme Estimate

- 9.1 The tender submission provided by Houlton of **£2,931,104** is within the cost envelope set out in the DCR approval with a total scheme cost of £4,582,500.

10.0 Prior Approvals

- 10.1 A planning application for the Fieldhead Carr Primary School aforementioned works was submitted on 21 March 2017 and planning permission was subsequently granted on 26 May 2017 with minor conditions.
- 10.2 The Design and Cost Report signed by the Director of Children's Services on 26 June 2017 granted approval to spend a total of £4,582,500 to cover all elements of the expansion of Fieldhead Carr Primary School. The DCR report is attached at Appendix B.
- 10.3 Two previous approvals are in place for this scheme. The first approval gave authority to enter into a Pre-Construction Agreement (PCA) with Geo. Houlton

& Sons Ltd to cover the pre-contract design fees (up to the end of Stage 3), totalling £246,745. The second approval was to enter into an Underwriting Agreement with Geo. Houlton & Sons Ltd for the placement of orders for statutory utilities, the cost being £71,790. The costs associated with both of these approvals are included within the total scheme cost stated in this report.

10.4 The overall budget for the scheme is £4,582,500.

11.0 Legal Implications, Access to Information & Call-in

11.1 The Project has been detailed on the future list of 'Key Decisions' and has not been subject to any 'call-in' requests.

11.2 The approval of this report constitutes a 'Significant Operational Decision' and as such will not be subject to 'Call-In'

11.3 The tender has been procured in accordance with the City Council's contract procedure rules.

12.0 Risk Management

12.1 Risk has been managed through application of 'best practice' project management tools and techniques via the City Council's 'PM Lite' risk methodology. Experienced project management resource from the Projects, Programmes and Procurement Unit (PPPU) is tasked with ensuring the project remains within the predetermined risk tolerances.

12.2 A priced risk register has been developed for the scheme by Leeds City Council and the contractor to ensure all the risks for the project have been identified together with the relevant owner of the risk. The priced risk register has been used to inform the client contingency for the project. The project risk register will be maintained and updated throughout the project and escalation of any risks that sit outside of the agreed tolerances will be managed via the Head of Programme (PPPU).

12.3 A client held contingency commensurate with the value of the project has been included within the approval figure to address any risks that might occur during construction.

13.0 Conclusions

13.1 An evaluation of the tender submission from Houlton has determined that all parties have worked effectively to agree a tender price which represents value for money for the Council. The Tender Report provided by NPS Humber confirms that "the Geo Houlton & Sons Tender has been checked for overall reasonableness and is considered to represent value for money and should be recommended for acceptance in the value of £2,931,104.00".

13.2 The recommendation therefore is to accept Houlton's cost for the works of the sum of **£2,931,104** and proceed with contract award as soon as possible in order to achieve the programmes dates stipulated in section 4.0 of this report.

14.0 Recommendations

14.1 The Director of Children and Families is requested to:

- Approve the request to award the contract for the sum of **£2,931,104** to Houlton to construct a two-storey new build extension, internal remodelling of the existing school and external works to construct a new car park and playground adjacent the new Key Stage 2 building to facilitate the expansion from 1FE to 2FE for the Learning Places Programme scheme at Fieldhead Carr Primary School.
- Authorise the signature of all other documentation that is required to deliver the project.
- Note that the contract award figure includes the previous approvals totalling £318,535, required to facilitate the pre-contract design and ordering of statutory utilities works.
- Note the programme dates identified in section 4.0 of this report, in relation to the implementation of this decision.
- Note that the Chief Officer, Projects, Programmes & Procurement Unit (PPPU) is responsible for scheme delivery.

15.0 Background documents¹

15.1 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.